Industrial Situation and Outlook

THE FINANCIAL POST

OF CANADA

The Canadian Newspaper for Investors

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE: TORONTO, NOVEMBER 3, 1917 ANNUAL SUBSCRIPTION, $3.00. No. 44

CANADA TO GET ORDERS TO TUNE OF $50,000,000 FROM THE UNITED STATES

Canadian Officials and Manufacturers go to Washington to Complete the Arrangements.

NOTHING DEFINITE AS REGARDS FINANCES

It Is Believed, However, That the U.S. Will Foot All Bills and Not Ask Credit—Orders Are for New Type of Shell—Business Outlook As a Result is Extremely Bright for Coming Winter.

WITHIN forty-eight hours an official announcement can be expected of the placing of American orders in Canada for shells to the value of $50,000,000. Prominent Canadian manufacturers and members of the Imperial Munitions Board, including Sir Joseph Flavelle, have returned from Washington, where they completed the necessary arrangements.

This is the most important development of the past three months. It nullifies the probable effect of the slackening of munition orders from Great Britain and assures a continuation of industrial activity in Canada. As the orders forecast are but a starter it is not unreasonable t assume that for an indefinite period business conditions in this country will continue as favorable as during the past eighteen months. The importance of the impending announcement cannot be overestimated. It will completely change the outlook. A brisk, prosperous winter is ahead.

Negotiations to this end have been pending for some time. From the standpoint of the U.S. Government, the placing of orders in Canada is purely a time consideration. The curtailment of Imperial orders left a number of Canadian plants, equipped to produce shells, idle. Uncle Sam could not turn out as large a supply of munitions as he needed. Therefore, he is willing to utilize the capacity of Canadian plants to speed up deliveries. It was the same motive behind the earlier placing of orders in Canada for underwear and other knitted goods.

It is understood that the negotiations from the Canadian end were conducted jointly by members of the Imperial Munitions Board and manufacturers of munitions. Sir Joseph Flavelle and Sir Charles Gordon were in Washington, and among the munition men who figured in the proceedings were H. J. Fuller, President of the Canadian Fairbanks-Morse Co., and W. G. Harris, of the Canada Metal Co.

The initial order will, it is understood, be for 3.5 in. shells, which corresponds to the 3.3 in. that has been made in Canada for the Imperial Munitions Board, and the 3 in. one that fitted the Russian guns. Experiments on the U.S. shell have been conducted in Canada very recently and the results are said to be so satisfactory that a guarantee could be given the U.S. Government.

The Financing of the Orders.

It is not yet clear how these orders will be placed and handled. There will not likely be any difficulty in connection with arrangements for financing. It will not be necessary for the Canadian Government to extend credit as has been done according to report with Imperial orders The American Government will pay for the shells as they are delivered.

It is possible, however, that the orders will be placed through the Imperial Munitions Board and that payments will be made the same way. This is the likeliest explanation of a rumor that is current to the effect that the Board is to receive 50 cents per shell on all American orders filled. It is possible that this charge is being made to cover the work of supervision which would be entailed if the responsibility of filling the orders were laid on the Imperial Munitions Board.

H. J. Fuller will represent the manufacturers and have charge of the placing of orders from New York.

The Handling of the Orders.

This spectacular development crystallizes much of the groping toward co-operation with the United States that has been apparent for some time. It was clear to foresighted manufacturers that Uncle Sam was going to need assistance and that Canada was in a position to step into the breach. As a result the Russell Motor Co. took the important step of securing U.S. shell orders and arranging to produce them across the line. On the other hand some American manufacturers proceeded to make connections on this side of the line. It looked certain, not so long ago, that new industries would develop in Canada out of this situation. The organization of the American Steel Products Corporation with a capital of one million dollars to take over the plant of the Dominion Steel Products Co., at Brantford, Ont., is a concrete result. The Brantford plant has been working on line and propeller shafting for a type of ship that is now being built in the United States to meet the lack of shipping facilities created by U-boat activities It will now be doubled in capacity as a result of the incorporation of the new company with the following officers: W. P. Kellet, president; D. O. Johnston, vice-president; M. M. McGraw, treasurer; P. H. Secord, secretary; W. S. Brewster, of Brantford, and W. S. Tomlinson, Toronto, directors.

All this, however, has been individual enterprise. The arrangement now going into effect organizes the situation and provides machinery for the utilization of Canadian resources to help Uncle Sam get quicker deliveries on his tremendous needs. It can be regarded as merely the forerunner of bigger things. Uncle Sam needs more than shells. He needs ships and parts therefor, clothing, supplies of all kinds. Order for other lines may begin to

Continued on page 8

IRON ON 5% BASIS.

Dominion Steel Dividend Increased Friday Afternoon.

Our Montreal correspondent wires that at a meeting of the Dominion Steel Corporation on Friday it was decided to raise the common dividend to a 5 per cent. basis—1¼ per cent. quarterly beginning January.

The Bank of Montreal will take the City of Montreal issue of $6,900,000.

The Manitoba Food Control Committee has recommended to the Government the removal of customs duties on agricultural implements, farm machinery and cheap automobiles.

READJUSTMENT IN STEEL TRADE OF NOVA SCOTIA

Conditions Righting Themselves After Cancellation of Orders.

OPERATING DIFFICULTIES

Many Advances in Raw Materials Supplies and Wages—Output Continues High—As to the Future Outlook.

By Col. THOMAS CANTLEY,
Chairman Nova Scotia Steel & Coal Co.

The present position of trade in the iron and steel industry in Nova Scotia is that some few weeks ago there was a diminution of output and some dislocation of business due to the sudden cancellation of shell orders. The situation, however, rapidly readjusted itself, and, while it is true that very little is being done in the way of munition work in Nova Scotia, the demand for other iron and steel products is heavy, and all indications point to a busy winter.

Owing to constantly recurring advances in wages during the past three years, together with the increased cost of mining and manufacturing supplies of every description, the cost of raw materials, such as coal, coke, ore, limestone, and other fluxes, is much higher than in prewar days. This is notably so as regards coal and coke, and the production costs of pig iron, steel ingots, and all subsidiary products is consequently very much enhanced. With an active demand, however, which calls for the full output of all mills and forges, satisfactory prices are being maintained for the finished product. This condition of affairs is likely to continue for some time.

As to the condition of the industry ten years hence no man knoweth—but we passed safely through many periods of stress in the past thirty years, and will undoubtedly do so again.

CANADIAN INDUSTRY IS STRONGER THAN EVER

War Profits Have Resulted in Reduction of Debts and Piling Up of Big Reserves.

By CARL RIORDON,
Managing-Director Riordon Pulp and Paper Company.

Canadian industry is now stronger than it has ever been, because it has greater reserves and fewer debts.

We believe that there cannot be a very serious depression of business following the war, because the world has the raw materials and the tools to produce what it wants and will go on wanting it, and, therefore, production and consumption must continue in the long run about as they have been.

Production and consumption will doubtless be disturbed for a while by the great dislocation of credit, but we think it will only be for a while for the reasons above stated.

At the same time we do not feel that profits at the present time can properly be reckoned by the year, but rather should be reckoned over a longer period, because industry as a whole has been going through a period in which it bought cheap and sold dear, and will soon have to go through a period in which it will sell cheap what it has bought dear. In other words, manufacturing concerns in general are now carrying large values in inventory which they may not be able to sell at a profit in addition to the fact of the great additional expense of carrying such large values.

LIQUIDATION OF C.P.R. SHARES IN WALL STREET

Slump Came With Heavy Selling Movement in New York.

THE TAXATION THEORY

Analysis of the Situation Indicates That Fear of Government Announcement Was Principal Reason for Realizing.

Special to The Financial Post

NEW YORK.—Probably the outstanding feature of the stock market debacle in C.P.R. this week was that the selling of Canada's premier stock security occurred almost entirely in this market. Since the outbreak of war a very small market has existed for C.P.R. shares in either Montreal or Toronto; as witnesseth the fact that in the 12 months of 1916 but 1,256 shares of C.P.R. were traded in in Toronto and 5,494 shares in Montreal. In 1913 nearly 200,000 shares were traded in on the two Canadian exchanges.

Various theories have been brought to the surface in New York this week for the virtual throwing over of C.P.R. The *Journal of Commerce* was one of the papers to take up the story of "German selling again," saying, "while it necessarily is difficult to obtain definite confirmation there appears excellent responsibility for recent reports that the late heavy selling of railroad securities represents a renewal of liquidation by German interests. The Union Pacific, Canadian Pacific and Northern Pacific—favorite stocks in Berlin—all have been under pressure. The cause of the selling is understood to be apprehension that has been caused by the appointment of the public administrator under the Trading with the Enemy Act. Presumably enemy funds in this country will be taken over by the Administration and either operated or liquidated." The New York *Sun* remarked that although there was no confirmation of the report of German selling at "least the idea was impressive enough to help along the downward movement."

The *Wall Street Journal* developed an entirely different theory. "Selling of Canadian Pacific is probably coming from wealthy holders who are subject to income taxes which will take half of their incomes," it said, continuing, "such men do not look upon Canadian Pacific as a 10 p.c. stock because they have to deduct their taxes."

The obviously silly stories of German selling had no regard for the small holdings of the stock in German hands. Official figures show that at the end of 1916 German holdings of C.P.R. stock were no more than 5 per cent.

Selling C.P.R. because of the new war taxation would seem to hit the nail nearer the head. But none of these theories have the substance that the known fact of a concentrated bear pressure has. Since the early summer C.P.R. has been under the thumb of the ruling bear crowd. Few here have forgotten the assertion of "Barny" Barusch that he was essentially a C.P.R. bear, always. The figures tell the tale. Here is the extent of liquidation of C.P.R. stock in Wall Street:—

Week ending	Shares sold	High	Low
June 29	4,600	161½	159
July 6	1,970	159½	157½
July 13	6,200	160	158
July 20	19,800	166	161
July 27	5,300	163¼	159¼
Aug. 3	2,600	161½	159¾
Aug. 10	5,400	162	158½
Aug. 17	2,700	160⅛	159
Aug. 24	8,500	162⅞	159
Aug. 31	4,500	162¼	157⅛
Sept. 7	9,900	158	155½
Sept. 14	15,600	157¾	152¼
Sept. 21	61,100	155⅝	147⅛
Sept. 28	27,000	153⅝	147½
Oct. 5	50,900	151¼	146⅝
Oct. 12	32,800	151	148¾
Oct. 19	24,000	151	147½
Oct. 26	56,600	150½	142

In the first two days of this week the volume of selling alone exceeded that of any previous week recorded. Could more glaring evidence of the "professionalism" of the selling be cited?

Accompanying the decline is a theory that Wall Street traders insist on placing C.P.R. more in line

Continued on page 8

OPERA SINGER SUES.

Mme. Alda Brings Action Against Brokerage House for $134,000.

The suit which Francis Alda, the Metropolitan Opera singer, has brought against a Wall Street brokerage firm for $134,000 alleged losses brings this artist who is so well known to the Toronto and Montreal public forward in the capacity of an investor and stock market operator. The suit is especially interesting as Mme. Alda alleges that some $115,000 of her losses occurred in operations in International Nickel shares, a New Jersey corporation operating Canadian properties.

WEST TRYING TO DISPOSE OF ITS LIVESTOCK

November Opens With One of Dullest Wheat Markets on Record.

MANY STOCK SHIPMENTS

Usual Rush to Market Cattle With the First Cold Weather Has Resulted in Congestion at Terminal Yards.

By E. Cora Hind.
Special to The Financial Post

WINNIPEG.—The wheat market for October went out without fireworks, and November opened with one of the dullest markets on record. The one excitement was a sudden flurry in cash flax near the close. The advance was 9½c to 12½c. The advance on the future market was almost as great.

Movement of wheat from the head of the lakes is not at all so heavy in volume as it should be for the season. This is no fault of the Lake Shippers' Clearance Association, but is due to the fact that stocks are accumulating slowly at the lake front. To-day stocks were down to about four million bushels, scattered through 22 houses and composed of all grades. Inspections are heavy, but the mills are taking heavy toll at Calgary, Lethbridge and Medicine Hat, in Alberta; Moose Jaw and Saskatoon, in Saskatchewan; and Brandon and Winnipeg in Manitoba, and Keewatin and Kenora in Ontario.

Stocks in interior elevators are steadily increasing, and are bigger by two million bushels than last week and over eight million bushels greater than last year. Inspections, which up to the past week have been steadily in advance of last year, have now

Continued on page 7.

OPERATIONS OF PACKERS MAY BE REGULATED

Meeting At Ottawa to Consider Contemplated Action to That Effect —3 Per Cent. Mentioned.

A meeting of the packing and cold storage interest was held in Ottawa on Wednesday of this week at the call of the Food Controller, with the purpose of arriving at ways and means of increasing production, as well as of regulating the profits of the packing companies. No action of a definite nature was taken other than the appointment of J. S. McLean of the Harris Abattoir Company, Toronto, as a representative of the packing interests, to co-operate with the Food Control Department.

As far as the matter of setting a profit is concerned it is believed that no action will be taken on this matter until some similar action is taken by the American Food Control Department. The proposal across the line is that all packing houses shall be licensed and permitted a net profit of 3 per cent. on their turnover, the balance of profits to go to the government. In Canada the margin of profit could not be less or Canadian firms would be at a disadvantage in the competition for outside trade.

Already Canadian firms are applying for licenses to operate in the United States, as most of the large packing houses have been buying extensively on the American market. They will of course therefore be subject to any limitation of profit that may be imposed by the American Government, on any business transacted in the United States.

RAILWAY SITUATION AN IMPORTANT FACTOR IN STOCK MARKET CRISIS

Canadian Pacific Was the Dominant Factor in Slump Which Resulted in Minimum Prices.

COUNTRY NEEDS EFFICIENT SERVICE

Further Arguments to Show How It Is Impossible for the Railways to Go on Paying Present Abnormal Operating Expenses Without Proportionate Increase in Income.

EVENTS this week, with the decline in C.P.R. outstanding, combine with statistics to emphasize the soundness of the stand taken by THE FINANCIAL POST, that there should be no further delay on the part of the Dominion Railway Commission in recognizing the thoroughly warranted claims of the railways to an increase in freight rates.

An additional sum of close to $500,000 was added to the annual wage bill of the Grand Trunk Railway Company when a revised schedule was granted the engineers and firemen, bringing into effect an eight-hour day, and adding to the pay rolls a very considerable amount, in addition, all around. Negotiations with the conductors and firemen are still under way, and it is quite possible that another half million dollars liability will be incurred to meet the situation in this division of labor. Taking these increases into account and those granted one year ago, the yearly wage bill of the Grand Trunk Railway over 1915-1916 will represent an increased cost of operation, from October 1, of close to $5,000,000 a year.

Meanwhile arbitration proceedings are being carried on to determine what increases the Canadian Pacific Railway shall accord its employes, of whom an even larger number are making heavy demands, and it is quite within the bounds of possibility that on a basis of the new Grand Trunk schedules the C.P.R. will be called on to add $2,000,000 to its wage bill, which would bring its operating expenses to nearly $22,000,000 above what they were in 1915.

The railways in their application to the Commission last spring simply asked to be allowed to advance their freight rates to cover a small portion of the heavy extra expenses of operation, an advance which in the case of the C.P.R. would not nearly cover the additional running costs, and with the G.T.R. would equal a bare one-third of the excess. The proposal was an eminently fair one; one that in an ordinary business enterprise would be admitted by a kindergartner in economics. There is hardly a commodity in every-day life where the principle has not been acknowledged that an increased overhead must of necessity be absorbed by an advance in the selling price of the goods. As well attempt to fix arbitrarily the selling price of butter, bacon, eggs, flour, potatoes or wheat, at what they were before the war, as uphold, implicitly or by inaction, a principle that railroads must absorb their increased overhead and retain their former level of freight rates.

There are instances in every-day business affairs where an increased turnover suffices to keep down the relative cost of selling; where a salesman who adds 25 per cent. to his sales can be paid an extra salary, while the relative cost of selling per $1,000 would remain stationary.

Take the C.P.R., for example. In September, 1917, the gross earnings of the system were $12,244,341, an increase of only $110,181 or .9 per cent. At the same time the operating expenses were $8,497,191, an increase of no less than $1,492,79[illegible] or 21.3 per cent. In other words, while the gross earnings increased slightly the net earnings dropped $1,382,608 or 26.9 per cent. In August net earnings fell $1,650,248 or nearly 30 per cent., but the gross earnings were less also.

Bringing this cost of operating down to a practical basis of so much per $100, it is seen that in September, 1915, it cost the company $53.8 to earn $100. In September, 1916, the cost rose to $57.7, and one year later to $69.7, as noted above.

It is noteworthy also that conditions are becoming comparatively worse as the year nears an end. Taking the first nine months, up to October 1, the gross earnings were $109,393,516, and net, $32,322,145. But last year up to October 1, out of only $100,663,789 earnings, the net earnings were more, or $34,216,371, and in 1915 they were $24,889,067 out of $69,897,075 gross earnings. Thus for the nine months of 1917 it cost $70.5 to earn $100; as against $66.1 in 1916 and $66.4 in 1915.

And this rapid overhauling is taking place in spite of the gross earnings showing large increases; with a normal traffic devoid of the enormous export to Europe, the net earnings would assume almost microscopical proportions.

On the Grand Trunk a similar business calamity in conditions is being approached. The August traffic returns show a gross increase of $4,300,000, but a decrease in net earnings of $3,215,000. At such a rate it would not take long to wipe out the net earnings entirely.

In the face of these actual experiences, divested of all theory, the duty of the Railway Board is plain. The railway cannot cope with the tremendous additional strain that is placed upon their rolling stock and entire operations, unless they are allowed to charge such rates as will maintain a normal surplus. The development of the country is interlocked so intimately with that of the railways, and in addition war requirements have thrown so abnormal a burden upon the roads, that a net revenue falling even below par is endangering an operation whose efficiency is vital to war and domestic requirements, as well as to the internal necessities of the roads themselves.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President
Sir Charles Gordon, K.C.B.E., Vice-President
R. B. Angus, Esq. Lord Shaughnessy, K.C.V.O. C. R. Hosmer, Esq.
H. R. Drummond, Esq. D. Forbes Angus, Esq. Wm. McMaster, Esq.
Major Herbert Molson, M.C. Harold Kennedy, Esq.
H. W. Beauclerk, Esq. G. B. Fraser, Esq.
Colonel Henry Cockshutt. J. H. Ashdown, Esq.

Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor.
Assistant General Manager—A. D. Braithwaite

Branches and Agencies { Throughout Canada and Newfoundland
Also at London, England
And New York, Chicago and Spokane in the United States.

THE MERCHANTS BANK OF CANADA

Established 1864 *Head Office, MONTREAL*
President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell
Managing Director—E. F. Hebden General Manager—D. C. Macarow

Paid-up Capital	$ 7,000,000
Reserve Fund and Undivided Profits	7,421,292
Total Deposits	92,102,072
Total Assets	121,130,558

233 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.

A GENERAL BANKING BUSINESS TRANSACTED

Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.

Commercial and Travellers' Letters of Credit issued, available and payable, respectivly, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.

TORONTO BRANCH, A. B. Patterson, Manager.

THE BANK OF BRITISH NORTH AMERICA

Established in 1836. Incorporated by Royal Charter in 1840.
Paid-up Capital - $4,866,666.66 Reserve Fund - $3,017,333.33
Head Office—5 GRACECHURCH STREET, LONDON, E.C. 3
HEAD OFFICE IN CANADA—St. James Street, MONTREAL.
H. B. MACKENZIE, General Manager.
Advisory Committee in Montreal
SIR HERBERT B. AMES, M.P.
W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.) and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

Agents for the Colonial Bank, West Indies

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

Savings Department at All Branches

THE
STANDARD BANK
OF CANADA
HEAD OFFICE - TORONTO
A GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENT
AT ALL BRANCHES
EST'D 1873

THE HOME BANK OF CANADA

Notice of Quarterly Dividend

Notice is hereby given that a Dividend at the rate of five per cent. (5%) per annum upon the paid-up Capital Stock of this Bank, has been declared for the three months ending the 30th of November, 1917, and that the same will be payable at the Head Office and Branches on and after Saturday, the 1st day of December, 1917. The Transfer Books will be closed from the 16th day of November to the 30th day of November, 1917, both days inclusive.

By order of the Board,

J. COOPER MASON,
Acting General Manager.

Toronto, October 24th, 1917.

THE MOLSONS BANK

Incorporated by Act of Parliament 1855
Capital Paid Up - - $4,000,000
Reserve Fund - - - 4,800,000
HEAD OFFICE, MONTREAL
98 BRANCHES
BOARD OF DIRECTORS
Wm. Molson MacPherson, President.
S. H. Ewing, Vice-President.
Geo. E. Drummond F. W. Molson
W. A. Black Wm. M. Birks
E. J. Chamberlin
Edward C. Pratt, General Manager

NEWS OF SECURITIES — Minimums Fixed

THE week has been one of sensations in the investment market. The outstanding feature was the imposition of minimum prices on Canadian exchanges. This came largely as the result of a slump, which formed the culmination of the long period of readjustment, and in which Canadian markets seemingly found a lead in New York. Canadian Pacific was the security which provided the link between Montreal, Toronto and Wall Street. In fact the theory is advanced that it was because of the large holdings in Montreal of Canadian Pacific and the rapid decline that the Exchange governors were influenced in the step which they took; the minimums on the general stocks would naturally give an opportunity for the marshalling of funds for the support of C.P.R.

Altogether, however, and in view of the later developments in New York, the establishment of the minimums was probably a wise step, although artificial support for the market is always open to criticism, particularly when it is established without preliminary explanation, as was the case in Montreal this week. So far as the average investor is concerned the future will probably not only prove that the course taken was justified, but that there has been an actual benefit to holders of stocks. The situation is abnormal and, although much of the recent adjustment was no doubt warranted, the present situation indicates that the public is becoming unduly nervous.

Following announcement of the New York Exchange that reports by those borrowing and loaning stocks would have to be made by noon there was a sharp improvement in Wall Street Friday morning, C.P.R. opening at 137 while there was a general marking up all along the line. Later the list sold off about half the amount gained, C.P.R. selling around 134½. The action of the Exchange was evidently taken in view of panic rumors that the Exchange would close and that minimums would be established as in 1914.

Greenshields & Co., Montreal, say: "A year ago we considered it necessary to warn readers of the *Review* against the inflation in munitions stocks. The sharp rise in the call loan item of the bank statement was a fair index to the condition of over-speculation in the market as a whole and the greater part of that over-speculation centred in the munitions stocks. The liquidation that has been in progress for nearly a year now has left a vastly different position. As to the general market it may be noted that call loans in Canada at the end of August, 1917, were $71,204,000, against $90,412,000 at the end of October, 1916. The ten munitions stocks whose prices are taken by the *Review* to show the course of market movements in that division of the market averaged 85.8 in August against 106.3 at the high price of the 1916 boom.

"It is not open to question that in the interval during which prices have been falling in the market, the actual value of every munition stock in the list has increased. Five of the ten have been placed on a dividend basis within the year; on two the regular dividend has been increased. Some which were speculations of the most uncertain sort prior to the war are nearing an investment basis, if they have not already reached such a basis. The immediate outlook is that while the war continues there will be further additions to the values already created."

Goodbody & Co., New York: "It is surprising how few holders of securities give careful attention to changing values, even in critical times like the present. Apparently it does not occur to the average investor until his securities have declined from 10 per cent. to 50 per cent. and interest and dividend rates are being reduced that it is necessary to keep posted on the fundamentals of investments if big losses are to be avoided. Men who have high quality brains and who use them in their business or profession and who employ experts once a year to inspect their teeth and their physical condition go on from year to year carrying stocks and bonds without even consulting investment experts or even considering that anything can go wrong with any of their securities. One of the effects of this great war is seen in the awakening of these credulous investors."

STEEL

The Minimum Prices Established Halted Heavy Liquidation in Securities.

By P. BAIN, M.E.,
Editor Canadian Machinery.

Prior to the collapse on Tuesday, the market had been in practically the same condition as during the previous week. Trading in steel securities was narrow and irregular with a weak tendency predominating. It was anticipated that this condition would continue until after the war loan had been floated, and no material improvement was expected in the market until the financial situation had become easier.

The establishment of minimum prices followed a steady depreciation over some weeks and the market was not in a position to stand a burst of heavy liquidation. Steel stocks withstood the strain pretty well, only in one case was there any pronounced decline.

It is apparent that little improvement is to be expected in the steel situation in spite of the efforts that are being made to have the embargo modified. F. C. T. O'Hara, Deputy Minister of Trade and Commerce, who has recently returned from Washington, advises that arrangements have been made which it is hoped will greatly assist Canadian manufacturers to secure steel in the United States. The demand in the States however is abnormal and it is more than likely that manufacturers will have to face a shortage of steel for the reason that it is not possible for the States to supply many materials required for commercial purposes in Canada. There is reason to believe that there will be a scarcity in materials required in Canada for the manufacture of articles which might properly be regarded as being contributory to the war. It is apparent that a serious shortage of iron and steel is inevitable and the situation can only be met by the strictest economy in the use of these commodities. Every effort will of course be made to obtain steel for plants engaged upon war work; however, as already intimated, strictly private enterprise will be held back for want of material.

There has been no further development in the local steel market in regard to prices and the impression still prevails that they will remain stationary for some time. It is understood that in the States very few sales have been made at the agreed prices so it is difficult to say what the market really is. How much more then must the uncertainty be in Canada, it being generally understood that the price control does not affect this market. Purchasers of war material will, it appears, have to pay higher prices, at least for some time to come. Probably when the mills in the States have filled most of their orders, booked at high prices, there may be some reduction, but this eventuality is not yet assured.

Advices from United States steel centres indicate that further price fixing announcements from Washington seem unlikely.

	Close, Oct. 25	Close, Nov. 1	Change
Can. Car, com...	19	18⅛	— ⅛
Do., pref.	50	50	..
Can. Loco., com..	58	58	..
Do., pref.	84½	84½	..
Gen. Elec.	102¼	103	+ ¾
Dom. Bridge	129	128	— 1
Dom. Iron, pr...	88	87½	— ½
Dom. Steel	56	52	— 4
N.S. Steel, com..	79⅞	79½	— ⅜
N. Stl. Car, pr...	19	17	— 2
Stl. of Can., com.	51⅞	49⅝	— 2¼
Do., pref.	85½	84¾	— ¾
Rus. Motor, com..	51	50	— 1

FOUNDRIES & FORGINGS.

Canada Forgings, after a long period of inactivity came on the market a few days ago at 150½, a net decline of 1½. It is understood that the company is operating its shell forging plant at capacity, having received a large contract for 6 inch shells.

NOVA SCOTIA STEEL.

Nova Scotia stock withstood Tuesday's liquidation onslaught surprisingly well, actually advancing 1½ points above Monday's level. The fixed minimum price is 79½. The directors recently made an inspection of the company's ore properties, and were favorably impressed with the physical condition and development progress disclosed. Considerable headway is being made on construction of freighters 2 and 3 at the Trenton plant. The mills are turning out large quantities of steel products required for car construction at the Eastern Car Co. plant, and anticipations are that no let-up is likely for several months to come.

STEEL CO. OF CANADA.

Steel of Canada has been fairly active the last few days and stood up well considering the market conditions prevailing. The stock provided one of the instances of selling slightly above the minimum which is 49½ for the common and 84½ for preferred stock. The low price of Steel of Canada this week was the lowest of the year. Production at the various plants continues satisfactory, and the future outlook for munitions and ships' steel, also that entering into more strictly domestic lines promises to be equally so.

NATIONAL STEEL CAR.

Although nothing has been heard recently regarding the affairs of the National Steel Car, there is every reason to believe that the company is now in a better position than for some time. The difficulties which overtook this concern in 1916 have been to a large extent overcome by the securing of substantial orders, including 4,000 trucks for the French Government and 1,000 freight cars for the Canadian Government Railways. These orders will keep the plant occupied for a long time to come, and there is every reason to believe that the profits of the present year will make very satisfactory reading to shareholders, more especially in view of the results of 1916, these latter being known to have been discouraging. The common is now standing at 5.

DOMINION STEEL.

Dominion Steel stock at the end of last week developed strength and by Monday had sold up to 57¾. The general liquidation however forced the price down to 52⅛. Nothing further has developed in regard to the reported dividend increase. At 52, which is the fixed minimum price, the lowest price for the year was reached. Of interest to stockholders is the fact that the sales manager Mr. Percy McNaughton left for England about three weeks ago on business more directly connected with his department. He is expected to be away for some three months altogether. The directorate are evidently taking time by the forelock as regards European markets for their products.

DOMINION FOUNDRIES & STEEL.

It is reported that the Dominion Foundries and Steel Co. has started its steel plate mill, and that the operations are most satisfactory. The plates are being made from rejected shell. Local steel men say that if the company will sell the commodity in lots of say 300 tons, it can obtain almost any price, within reason. There was more or less speculation as to the company being able to turn out a steel plate, but now that its capacity has been proven, the undertaking should result in large profits. According to last year's statement, an item of about $200,000 appeared on the debit side representing a contingent account for rejected shell. From present appearances it should not take a great length of time to turn this into a credit. One who has seen the plant recently offers the view that the company must have spent well up to $1,000,000 on additional equipment during recent months all of which has come out of earnings. Lately, there has been an improved demand for the stock, the price strengthening 10 points to around $60.

ALLOY STEEL WORKS.

A new concern the Alloy Steel Works, Ltd., has been incorporated with an Ontario Provincial charter to take over the steel plant on Front Street, Toronto, formerly operated by the Moffatt-Irving Steel Co. The new concern will continue to make steel castings by the electric furnace process which at this plant utilizes flue dust or fines for making steel. The company contemplates enlarging the capacity of the plant by the installation of another furnace. John R. Russell and H. I. Armstrong of Toronto are interested in the new venture which is capitalized at $100,000.

DOMINION STEEL FOUNDRY.

We believe that there is a great future for the steel business in Canada, says C. W. Sherman, president of Dominion Steel Foundry, incident to the future development of Canada which is bound to take place. In this connection our Company has arranged to turn their increased output into small plate work, such as steel for plowshares, mold boards, harrow discs and so forth. In addition to this we can make plates up to 36 inches wide for the miscellaneous trade.

We also have added a forging department for making ship forgings, anchors and large miscellaneous forgings of all descriptions. Our subsidiary, the Hamilton Steel Wheel Company, now on shell work, is making preparations for the manufacture of cast and forged steel wheels for railway service.

We have installed a 20-inch rolling mill for making bar stock. This will be sold to the trade as well as largely used in the manufacture of car axles for railways. We are installing a plant for the forging of railway car axles and we expect to make a large tonnage of this commodity.

In changing our output we have followed, so far as possible, the idea of manufacturing steel into commercial shapes not now made in Canada, and these local requirements, to say nothing of the export demands which we are generally refusing, are taxing our capacities at the present time. We anticipate a reduced demand for certain classes of steel material after the war but we hope there will be an increase in other lines that will partially, if not wholly, offset this.

The preparations mentioned above for future operations forcibly speaks our opinion of the steel business and the future prospects of enlargement in Canada.

TEXTILES

Fair Activity During Week With Prices Holding Up Well—Mills Advance Prices.

If the movement of the textile securities alone had been concerned, there would have been no fixing of a minimum price list this week on the Toronto and Montreal exchanges. In the face of the general downward trend the most of the textiles held firm, and the majority of the minimum prices that now stand could have been duplicated in the quotations any time within the last few weeks or even months. Nor was this satisfactory condition due to the fact that the stocks were being closely held: this past week the leaders on the market so far as activity is concerned were very much in evidence, but were selling up well to the average of the past month.

The cotton textile mills, in order to cover themselves for the recent advances in the raw markets, have made advances in their price lists of from 5 to 10 per cent. So far this has not induced extra buying from the mills but is likely to help the jobber with the retailer. A mill official put the case thus: "The jobber is in the position of a man who has just finished a six-course banquet. You may set before him one of the most tempting of meals at ordinary times, but, till he has digested the other, he will not be tempted to partake of the later one. So the jobbers are well stocked up at present and are not likely to buy much more at present no matter what they think the raw market may be going to do."

Most of the mills have orders that will keep them well employed until next March or April, and they are still behind to some extent in deliveries on past orders. Orders from the U.S. Government will be ready when they require them.

The raw market had a slight drop this week as a result of the Italian news, the market taking this to indicate a prolongation of the war by some months. The decline was about one cent a lb., from the high of 29.65 cents that had been reached. This price for spot is about nine cents above the price prevailing one year ago.

Wool and labor conditions show no signs of improving for the woolen and knit goods mills, and there are indications that some of them will be running light very shortly.

The fixed prices as they apply to the textile securities with the closing prices of last week and this are given below. It will be noticed that in three cases minimum prices are below last week's close, in one case above, and in the others the same.

	Close, Oct. 25	Close, Nov. 1	Change
Can. Cot., com..	48½	48½	..
Do., pref.	77	75	— 2
Dom. Tex., com..	81½	80¾	— ¾
Do., pref.	100	100	..
Mon. Knit., com.	30	30	..
Mon. Cot., pr....	99	100	+ 1
Penmans, com. ..	68	65	— 3
Do., pref.	81⅞	81⅞	..

CANADIAN COTTONS.

Following the rise in the raw cotton market of several cents above the prices of the last Spring price list, the Canadian Cotton Company has issued a new list showing an advance in prices that average about five per cent. This will cover the recent rise in the raw market, which by a coincidence began to take a drop at the same time. A rise of this nature often stimulates buying, but the turn in raws may offset this to some extent. According to a statement of the vice-president and general manager, A. O. Dawson, to THE FINANCIAL POST, the mills have orders on hand to keep them going until the first of April next. Some fears are expressed that conscription will lessen the output, as female labor is still scarce.

The minimum price is 48½, which is 2 points above the minimum for this year and 6 below the high. Last year the range was 70-37. Preferred was fixed at 76, ½ point above the lowest for the year.

DOMINION TEXTILE.

An advance that would average 10 per cent. has been made in the spring lists and sorting prices of the Dominion Textile Company as a result of the continued rise in the raw cotton market since the prices were first fixed. In ordinary times a rise of this nature, which was general in Canada and the United States, would stimulate buying but the jobbers are well supplied in most lines, and so are not tempted to buy any more. Dominion Textile still have back orders to fill, and these with the steady supply of all they can handle from the U. S. Government for war purposes will keep them busy until next spring, along with the light orders from domestic sources that come in in the meantime.

Common is set at 80¾, ¾ below last week's highest, but comparing well with this year's low mark of 76½. The preferred stays at 100, a prevailing mark and only 2 below the high for the year.

PENMANS.

Promises of further war orders from the United States whenever they are in a position to handle them will make Penman's mills independent of any slackening of domestic orders that is developing for spring. The mills are still working to capacity on arrears and sorting business for fall and winter.

Fixed at 65 for common this is low for the year with 73¼ high. Last year the range was 59½-78. The preferred of 81⅞ is high for the year.

CANADIAN CONVERTERS.

While there have been no sales lately of Canadian Converters, the minimum price of 43 happens to be the high for this year, and compares favorably with a high of 46 and a low of 30.

MILLING

Food Controller's Action as to Package Cereals Still Cause of Uncertainly—Flour Price Not Fixed.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

The question that is still facing the milling trade is the interpretation of the package goods order-in-council. Mr. Hanna in his meeting with the different branches of the trade on Saturday last definitely refused to give any indication as to the possibility of any change in the form of the order, other than to say, that any manufacturer who could prove that his product was sold as cheaply in packages as it could be sold in bulk would be granted a license to manufacture. On the face of it this is an impossibility since the cartons must of necessity cost money. In the case of many breakfast foods, however, there is the practically established fact that they cannot be handled in any other way except in packages. It is probable therefore that these will be licensed. The case does not seem to be as hopeful for the millers of flour, oatmeal and other such products. If they are compelled to sell in bulk it will mean a very considerable hardship as in the bulk of these instances the mills are heavily stocked with cartons running anywhere from six months to a year's supply. This in itself represents a very considerable item of expense, to say nothing of the readjustments that the new conditions of trade will necessitate.

Every effort is being made to have the order changed, but the Food Controller apparently has made up his mind that the order-in-council is the one and only way of achieving the end desired.

The price of flour still remains unset, though the committee is nearing the end of their deliberations, and it

THE MINIMUM ESTABLISHED

THE action of the New York market during the past few days has served to a large extent to justify the action of the Montreal Exchange governors in establishlishing minimum prices. One of the officers speaking to THE FINANCIAL POST declared that the course had been vindicated more and more each day by the behavior of New York prices.

"We fixed prices here when we found the banks would give us no more money, and the ordinary investor is highly pleased, as in many cases they were margined to the limit and could not have held on much longer. Had prices not been fixed they undoubtedly would have gone lower, and this would have had a more injurious effect on the war loan than it will under present conditions. Incidentally we will be forced to sell war bonds, and not have to keep nailed down to the ticker."

The restrictions do not include any of the war loans nor an international trading issue like C.P.R. Detroit United, however, which is dealt in chiefly here, has had a peg nailed in it.

A comparison of the minimum list of 1917 with that of November, 1914, shows that with the exception of the banks there were 29 stocks in which the 1917 minimum was above that of 1914, and 29, the same number, in which it was lower. All the banks dropped. In a number of cases the stocks of the 1914 list had disappeared from active trading, and new ones appeared.

MINIMUM PRICES.

	1914	1917	Change
Abitibi, com........	..	48	..
Do., pref..........	..	90	..
Ames-Holden, com..	9½	15	+ 5½
Do., pref.	55	47	— 8
Asbestos, com......	..	15	..
Do., pref..........	..	44¾	..
Bell Telephone.....	140	130	— 10
B. C. Fishing.......	..	40	..
Brazilian	53	32	— 21
Brompton	..	39	..
Can. Car...........	50	18½	— 31½
Do., pref..........	98	49½	— 48½
Cement, com........	28	57	+ 29
Do., pref..........	90½	90	— ½
Can. Converters ...	34	43	+ 9
Can. Consol. Rubber	91	90	— 1
Do., pref..........	97	97	..
Can. Forgings......	..	148	..
Can. Cottons, com...	25	48½	+ 23½
Do., pref.	71	76	+ 5
Can. General Elec...	90	102	+ 12
Can. Loco., com.....	30	61	+ 31
Do., pref..........	78	84½	+ 6½
Can. Steam., com...	10	39¼	+ 29¼
Do., pref..........	59	76	+ 17
Carriage Facts., com.	..	15	..
Do., pref..........	..	58	..
Civic Investment...	..	68½	..
Can. Min. & Smelt..	..	25	..
Crown Reserve.....	6	23½	+ 17½
Detroit United.....	62	104¾	+ 42¾
Dom. Bridge.......	107	128	+ 21
Dom. Canners......	31	23¾	— 7¼
Dom. Coal, pref.....	..	88	..
Dom. Steel Corp....	20	52	+ 32
Dom. Textile.......	64	80¾	+ 16¾
Do., pref..........	101	100	— 1
Gould Mfg., Com....	90	100	+ 10
Do., pref..........	90	100	+ 10
Goodwins, pref. ...	75	45	— 30
Hillcrest Collieries.	24	15	— 9
Howard Smith......	..	65	..
Illinois Traction....	..	35	..
Do., pref..........	91	80	— 11
Laurentide	160	152	— 8
Lake of Woods....	129	120⅛	— 8⅞
Lyall Construction.	..	62	..
Maple Leaf Mill....	88	99	+ 11
Macdonald	9	13½	+ 4½
Montreal Cottons...	51	50	— 1
Do., pref..........	99	99½	+ ½
Montreal Loan.....	..	152	..
Montreal Telegraph.	..	120	..
Montreal Trans.....	220	150	— 70
Do., debs.........	..	72¾	..
N. S. Steel.........	45¾	79¼	+ 33½
Ogilvie Milling.....	110	140	+ 30
Ont. Steel Products	..	22½	..
Ottawa L., H. & P.	120	77	+ 43
Paton Mfg..........	..	130	..
Penmans, Ltd., pref.	82	81⅞	— ⅛
Price Bros.........	60	120	+ 60
Quebec Railway....	10½	15	+ 4½
Riordon Paper.....	..	117¼	..
Do., pref..........	..	92	..
Shawinigan	110	107	— 3
Sherwin-Williams ..	55	60	+ 5
Do., pref..........	99	99	..
Smart-Woods	20	53¼	+ 33¼
Do., pref..........	..	86	..
Spanish River......	9	13	+ 4
Do., pref..........	35	50	+ 15
Steel of Can........	11	49½	+ 38½
Do., pref..........	69	85¼	+ 16¼
Toronto Railway...	111⅛	60	— 51⅛
Tooke Bros.........	16	19	+ 3
Do., pref..........	75	72¼	— 2¾
Tucketts Tobacco...	29	18½	— 10½
Do., pref..........	90	40	— 50
Wayagamack	..	50	..
West India Elec....	..	77	..
Winnipeg Electric..	180	48	—132
Bank B.N.A.........	..	112	..
Commerce	203	185	— 18
Hochelaga	149	140	— 9
Merchants	180	167	— 13
Molsons	201	179⅞	— 21⅛
Montreal	234	210	— 24
Nationale	134¾	148	+ 13¼
Nova Scotia........	261	248	— 13
Ottawa	207	201	— 6
Royal	221¼	208	— 13¼
Union	140	136	— 4

is probable that a definite price will be set within a very few days. The market at present is being somewhat influenced by this uncertainty, though there is a good buying feeling at present, and there is no likelihood of any falling off in orders in the immediate future, as all stocks have been pretty well exhausted owing to the long period of inactivity that followed on the heels of the high prices of a month or so ago.

MAPLE LEAF.

Stock of the Maple Leaf Milling Company showed practically no activity during the week. It is known that the company is doing a large export business and is in a very satisfactory position. For the time being, however public attention has fallen away from it and practically no business was transacted in this stock during the past week. The sales in the common ranged from 98½ to 100. There were no sales in the preferred.

LAKE OF THE WOODS.

Despite the uncertainty due to the probable setting of the price for flour in the near future, and the effect of the package goods embargo, the stock of the Lake of the Woods Milling Company showed rather more activity than has been the case for some time past. The figures received showed a shade of betterment in feeling advancing from 120 the figure of last week to 120¼. There was no activity in the preferred.

OGILVIE FLOUR.

The stock of the Ogilvie Milling Company had the quietest week noted for a long time past. There were no sales in the common and very light trading in the preferred saved it from being a blank week. The prices obtained in the preferred showed a considerable decline over the last sale. The price ranged from 107 to 110 as against the 111½ of the last previous sale.

SHREDDED WHEAT.

Investors are evidently beginning to take heart and conclude that there will be no hard and fast shutting out of this product. In any event there was no indication of any tendency to unload the stock. There was no sale noted in either common or preferred.

PULP AND PAPER

Stocks in This Group Have Been Weaker Than Ever, With Further Declines Recorded.

By W. A. CRAICK.

A glance at the following table, in which corresponding closing prices for Thursday of last week and Thursday of this week are given, will show how sadly depressed the market has become. With Laurentide at 152 Riordon at 117, and Brompton at 39 the three most active stocks are at levels not approached for many a month. The imposition of the minimums will now hold prices at these levels, which will be a relief to worried holders.

	Close, Oct. 25	Close, Nov. 1	Change
Laurentide	155	152	— 3
Riordon	119½	117¼	— 2¼
Spanish, com.....	13⅝	13	— ⅝
Wayagamack ...	50¼	50¼	..
Brompton	41	39	— 2
N.A. Pulp	2¾	2⅞	+ ⅛

This week's sessions of the paper inquiry were quickly concluded, and by Tuesday evening all the evidence in the newsprint section of the investigation was in. The Commissioner has promised to place an interim report with the Government this week so that information and recommendations may be on hand on which to base a selling price that will be fair to both parties. In the meantime the manufacturers agreed at the conclusion of the hearing to continue to deliver paper at the 2½ cent rate until Saturday, though the order-in-council fixing this rate expired on Wednesday.

Statements presented on Monday and Tuesday by the Commission's accountant did not alter in any way the contention that the 2½ cent fixed price was too low to allow manufacturers a reasonable profit. While profits have undoubtedly been large, costs are now increasing so rapidly that the margin is dropping. This condition will have to be recognized and a higher price established for the duration of the war.

The inquiry into costs of half-tone news and book papers is to be opened in Toronto on either Thursday or Friday of next week. At a meeting of the Trade and Class Section of the Canadian Press Association, held last Friday, it was decided to employ counsel to present the publishers' side of the question. Meantime representations are being made to the Government that, in view of the disparity of prices in the United States and Canada, some concessions should be made in the matter of duty to permit of the publishers enjoying the benefits of the cheaper American paper. While prices of book paper in the United States have been dropping, the price of the Canadian product is being maintained, manufacturers declaring that they would be losing money if they reduced quotations.

HOWARD SMITH PAPER MILLS.

No official word has reached the Howard Smith Paper Mills of an investigation into the cost of book and writing paper, similar to that which is being concluded into newsprint. Whenever the subject was introduced the mills took the stand that the advances in cost were dependent on the heavy extra charges that they were forced to pay for the pulp, and with the manufacture of this few have direct connection.

The export trade of the Howard Smith Paper Mills has been very limited so far, THE FINANCIAL POST was informed, and the new arrangements with the Canadian Export Paper Company are just getting under way. This will improve the connection with South Africa to which these mills have sent a small quantity so far, and will open up a new market with England. Some details at the new mill still remain to be completed.

LAURENTIDE.

The figures that were submitted at the newsprint inquiry at Ottawa this week show that the average profits of the Laurentide Company on sulphite have been falling the last few months. For the year 1916 they averaged $26 a ton, on the basis of a cost of $34.86 and a selling price of slightly over $60. The total amount sold was 23,707 tons for an aggregate profit of $625,521. In January the net profit was at the rate of $41 a ton; in February the profit had fallen to $35 a ton; in March it was up to $39; in April it reached the high mark of $44 a ton; in May it was down to $36; and in June to $33. This closed the 1916-17 year of the company, during which the total profits amounted to $1,720,011 as compared with $937,822 in the previous year.

The figures are of chief interest that follow,—those for the next two months—as they give an idea of a comparison of the profits on the operations of the two years. For the month of July there were 1,514 tons sold, at an average of $74.64, giving a net profit of $32 a ton, and a total of $80,429 profits. In August the cost was $38.57. 1,723 tons were sold at an average profit of $31, a net total of $54,937.

The tonnage sold in July is higher than any month tabulated in the previous year, and partly offsets the lessened average profits per ton. The August figures of $31 a ton were the lowest of any reported, and may be accepted as the condition that will rule for some time. Indeed many in the paper business do not believe that the conjunction of conditions that was responsible for the extreme prices at the early part of this year will be repeated again. To offset the drop in profits in pulp for the year 1917-18, there will be a higher profit on a portion of the paper of the mills that is consumed in Canada, but the export portion is hardly likely to increase the profits of last year, and indeed a slight drop in this direction also may be expected. From present indications, then, the year ending June 30 of this year would seem to mark the high figure in profits.

SPRUCE FALLS PULP.

A provincial charter has been granted to the Spruce Falls Pulp and Paper Co., Limited, with headquarters at Spruce Falls, Ont., and a capital stock of three million five hundred thousand dollars, divided into thirty-five thousand shares of one hundred dollars each, of which five thousand shares shall be preference shares. The company is empowered to carry on the business of manufacturing, selling and dealing in pulp wood, wood pulp, whether mechanically or chemically prepared, and all kinds of paper and also to do business as lumbermen, timbermen, saw millers, etc. Among the provisional directors are Thomas H. Barton of the legal firm of Barton and Henderson, Toronto, and Charles M. Garvey of the legal firm of Price, Garvey and Co., Toronto.

PORT ARTHUR PULP.

A. G. Pounsford, general manager of the Port Arthur Pulp & Paper Co., was in Toronto last week. He states that work on the new plant at Port Arthur, though held up to a certain extent by the advent of cold weather, is progressing favorably. He expects that they will be ready to operate shortly after first of December. The labor situation in the Port Arthur district is not improving very much, though they are not experiencing the same difficulties with transportation as in certain other sections of the country. It is a little early to report on the pulpwood supply. Cutting is commencing and a sufficient quantity seems assured.

BROMPTON.

A word of encouragement to Brompton shareholders is contained in the latest bulletin issued by Greenshields & Co., Montreal. After pointing out that, notwithstanding the fact that the Laurentide Company's profits for last year were 83 per cent. over the previous high record for the company, and the dividend higher, the stock has been selling at the panic price of 1914, the circular continues, "Our clients who purchased the stock of the Brompton Pulp & Paper Co. are asked to bear facts of this kind in mind. The Brompton company's profits we know to be highly satisfactory. The dividend is amply secured and we can see nothing in the business situation to endanger it. The recent decline in the price of the stock has been the result of general market conditions. The technical position of the stock has not been strong. The sharp rise which accompanied the first offering of the shares was followed almost immediately by a general slump on the stock exchange. The effect of this and the prolonged depression of the market since would be severe in the case of Brompton because time had been lacking for the proper distribution of the issue, although substantial investment purchases which the present low price attracted have substantially corrected this situation."

TRANSPORTATION

Movements of the Market Indicate the Increasing Need for Higher Freight Rates.

There can be little doubt but that the dominant factor in bringing about the break in the Canadian markets this week was the decline in Canadian Pacific, and it in turn was but a reflection of the general situation as regards the railways in Canada. The need for the higher rates which have been so long requested is becoming more and more emphatic. And not only is it a question of the standing of the credit of the railways—and this is important in the eyes of the foreign investor—but there is every indication that if the railways are not allowed to make sufficient profits to pay their way that the business of the country will suffer. Canada is such a sparsely settled country, and in many respects has to face such long hauls in getting her products to the consumer that efficient transportation facilities are a national necessity. The recent decrease in net earnings is illustrated in the following table:

	Net Earnings.			
Sept.	1917.	1916.	Decrease	%
C.P.R. .	3,747,150	5,129,958	1,382,808	26.94
C.N.R. .	425,900	732,600	306,700	41.89
G.T.R. .	874,245	1,518,053	643,808	42.4
Total .	5,047,295	7,380,611	2,333,316	31.6

CANADIAN PACIFIC.

The decline of Canadian Pacific which furnished the chief sensation of a sensational week on the stock exchanges, when it dropped to 133 in Canada and fractionally below that in New York, was accompanied by many theories and reports. THE FINANCIAL POST has been fortunate in securing a review of the developments from the Wall Street standpoint. This is published elsewhere in this issue. From this it would appear that the chief reason was realizing on the part of investors who fear war taxation. However, there can be no doubt that there are many disturbing factors to which the war developments have been an added influence. Rising costs of operation, the attitude of the Government on freight rates, and the continued demands from the Western farmers — whose political influence is evidently in the ascendancy—for government ownership cannot be altogether ignored in such an unsettled period.

The story of realizing on the part of German interests has again been revived, but this is not considered an important factor, as the amount of stock now in the hands of Germans is not large. Coupled with this, the New York *Financial World* mentioned the growing influence of the Grain Growers from a political standpoint, and the fact that the Western farmers "threatened the political annihilation of any representatives in Parliament working for a rate increase."

Another of the many theories advanced was that special income was being affected by the war conditions. In this connection it was stated that the hotel system was suffering, both from the standpoint of patronage and on account of the labor shortage, while a further report argued that with the falling off in immigration there had been a big decline in revenue from the land department.

In connection with all these reports and theories, however, the shareholder must be prepared to discount their effect to a large extent, because it is always the case that the market is flooded with "news" of a stock when it displays action, and many of the reports bear evidence of being manufactured to meet the occasion. In a general way it would appear that in view of unfavorable conditions as regards operation and the general readjustment of investment values, American opinion has been bringing C.P.R. into line with United States railway securities.

On Friday morning C.P.R. opened at 137 in New York, strength following the announcement of the Exchange governors calling upon brokers to file lists of borrowed or loaned stocks before noon. Later part of the gain was lost, the market being around 134½ at the close.

The Canadian Pacific Railway's earning statement for September shows a decrease in net profits of $1,382,608 or 26.9 per cent. For the month the net amounted to $3,747,150 compared with $5,122,759 for the same month in 1916. The gross earnings amounted to $12,244,341, an increase of $110,181 or 9 per cent., while operating expenses were higher by $1,492,790 or 21.3 per cent. There is an improvement over the showing for August when the net profits fell off $1,650,248 or about 30 per cent., but the August decline was accompanied by a falling off in the volume of gross business. Following are comparative figures:

1917	Gross earnings	Working expenses	Net profits
January	$10,158,308	$7,726,829	$2,431,478
February ...	9,084,276	7,098,228	1,986,048
March	11,846,543	7,909,225	3,397,318
April	12,355,149	8,180,541	4,174,977
May	14,355,149	9,803,429	4,551,720
June	13,586,979	9,671,073	3,915,906
July	13,377,869	9,617,858	3,760,007
August	12,414,537	8,596,999	3,817,538
September ..	12,244,341	8,497,190	3,747,150

It will be noted from the figures following that the gross earnings for September were the largest in the company's history but the net profits were lower than for any year since 1909.

September—	Gross	Net
1917	$12,244,341	$3,747,150
1916	12,134,159	5,122,759
1915	10,273,165	4,745,300
1914	10,754,140	4,367,048
1913	12,157,082	4,415,579
1912	11,579,733	4,250,303
1911	10,049,084	3,917,446
1910	9,315,214	3,911,600
1909	8,323,178	3,431,889

For the first nine months of the current year the gross earnings amounted to $109,393,516 compared with $100,663,789 for the first nine months of 1916, the increase being $8,729,727 while the net earnings amounted to $32,322,145, and show a falling off of $1,894,226. Comparative figures of gross and net earnings for the first nine months of the year follow:—

9 months—	Gross	Net
1917	$109,393,516	$32,322,145
1916	100,663,789	34,216,371
1915	69,897,075	24,889,067
1914	85,682,536	26,623,143
1913	101,454,111	31,608,284
1912	96,637,022	32,244,399
1911	78,512,960	25,779,320
1910	72,503,736	24,857,972

GRAND TRUNK.

In pointing out that the reason ascribed for the passing of the Grand Trunk dividend was a great increase in working expenses owing to war conditions, *The Statist* comments that no reference is made to the company's possible liability regarding the Grand Trunk Pacific. *The Statist* says that this is the first occasion since the end of 1897 that the guaranteed stock has had to go without an interim dividend. In the interval the dividend has been regularly paid with the exception of the December half of 1914 when, owing to the abnormal conditions which then prevailed and the great fall in profits, the final dividend was only 1½ per cent. The announcement of the suspension does not necessarily mean that the guaranteed shareholders will have to forego a dividend in respect of 1917. It would rather seem to indicate that the directors are acting cautiously and before deciding upon any distribution of profits will await the full year's figures, when they may know better how they stand with regard to the Grand Trunk Pacific, and by which time, too, it is to be hoped, some concession will have been granted to the company to raise freight rates. The company's August revenue statement showed a further decline of £88,900 in net earnings of the parent road, a reduction of £15,050 in those of the Detroit line and a decline of £38,450 in those of the Grand Trunk Western. Further, it must be remembered that the high rate of expense is being continued and more than counterbalances any improvement in gross earnings. On the basis of the August statement the gross receipts appear to be running about 5½ per cent. ahead of those of

Continued on page 4.

PAST RECORDS AND PRESENT PROSPERITY PROMISE GREAT FUTURE FOR P. LYALL & SONS CONS. COMPANY

Canada's Greatest Building Contracts in the Firm's Hands To-day Making Splendid Progress on Basis of Assured and Substantial Profits.

SOUND BASIS FOR AFTER WAR BUSINESS ESTABLISHED—MUNITIONS PLANTS PAID FOR AND TO BE UTILIZED.

In the Splendid Chain of Fine Structures all Over the Dominion, the Excellence of P. Lyall & Sons Construction Co. Reputation is Proved for all Who Are Interested to See.

With building business of the present time under consideration, and with in view the much bigger building business coming to Canada after the war, the P. Lyall & Sons Construction Company is going from strength to strength. Not only does the company hold first place in Canada as to the volume of building operations on hand, but this most complete constructional organization is the only firm in its field actively engaged also in the manufacture of munitions. As a matter of fact the munitions-making branch of the company's organization is in the exceptionally strong position of having most of plant paid for. And the plant is turning out millions of dollars' worth of shells steadily under present conditions, and has well-considered capabilities for use in profitable production work after peace is declared.

Substanial Buildings in Hand.

Apart altogether from the great work the company has been and is doing in the manufacture of munitions to help win the war, the building construction operations at present being carried on would in themselves be sufficient to place the P. Lyall & Sons Construction Co. in the forefront of Canadian constructive concerns. Work continues to progress satisfactorily on the reconstruction of the Parliament Buildings at Ottawa, and this work with all the other large constructive undertakings in the company's hands at present is being done on a basis of fixed and assured profit, in other words cost and commission. The vexatious delays in getting supplies of materials at present cannot react to the disadvantage of the company either, as due allowance has been made in all undertakings for this difficulty. The handsome Sun Life building in Montreal, the Union Station, Toronto, and the Parliament Buildings, Ottawa are all making substantial progress. In the case of the Parliament Buildings, with their elaborate architectural style, the work has made unusually fast progress for work of this character. But to turn out first-rate constructional work exceptionally short time is a characteristic of the P. Lyall & Sons Construction Co. In these cases and in many others of less vast size, the company is practically in the capacity of acting as the construction agents of the owners, and in that capacity make it their business to spend the capital outlay required with scrupulous care for the interests of the concerns employing them in every possible respect. They have the confiedence of employing corporations far and wide throughout Canada. The business they undertake is profitable to them.

Splendid Construction Records.

To-day the P. Lyall & Sons Construction Co. is handling the largest volume of business of any contracting concern in the country. Not only have they the huge undertakings mentioned in hand now, but over the length and breath of the Dominion there are distributed numerous minor undertakings in the construction business the total volume of which mounts up to magnificent figures. This, too, in the lean years of Canada's constructional development—the war years. Some idea of what may be expected from this department of activity in the future is easily gathered from a few facts regarding the achievements of the P. Lyall & Sons Construction Co. since 1912.

Take the case of the building in which the company's offices are to-day located in Montreal—the Transportation Building. The construction of this handsome structure represented a record in this line of work. The site was covered with old fashioned buildings. In May of the year work was begun by the P. Lyall & Sons Construction Co. By the following March, the P. Lyall & Sons Construction Co. was in occupancy of their present suite of offices on the seventh floor, and every office was occupied throughout the whole great building by the 1st of May—twelve months for the whole contract.

The Dominion Express building across the street, the Board of Trade building, the splendid range of the harbor sheds, schools, post offices, and other fine structures in many a street of Montreal are examples of the P. Lyall & Sons Co's. work. One of their big contracts was the New York Life building, in which the Quebec Bank is now located. The Sun Life building still in course of completion is one of their latest buildings in Montreal.

In Toronto there are The Excelsior Life building, the Arena Gardens, the C.P.R. freight terminals, the North Toronto Station, and the Union Station in process of completion. At Cooksville the plant of the Ontario National Brick Co. was built by the P. Lyall & Sons Co., and the plant of the National Brick Co., Delson, P.Q., was also constructed by this firm. It is a feature of the comprehensive nature of the P. Lyall & Sons Construction Co's. methods that they will build a plant for any industrial undertaking, equip it with machinery, and if need be provide the organization to run it with after delivery to the owners in complete running order. There is no limit to the extent of the work this firm will undertake. They do everything except provide the raw materials for industry.

Ottawa, Winnipeg, The West.

From Halifax to the Pacific Coast the Dominion of Canada is studded with achievements in the constructional field of the P. Lyall & Sons Construction Co. Ottawa has been mentioned in connection with the Parliament Buildings. In Ottawa also, the Ottawa College, the Y.M.C.A., the Customs building, and the Union Station are all examples of P. Lyall & Sons Construction Co. work. At Winnipeg there are the C.P.R. hotel and station. At Regina the Parliament Buildings, Grey Nun's Hospital, and many school buildings. At Moose Jaw the Times-News block, and the Millar Store building also a large apartment house, and Ross Park school, now used as a hospital. The Public Library, and car barns are also work of the same firm. The C.P.R. hotel at Calgary was built by this firm, and the North West Travellers' building also. At Edmonton a large drill hall is amongst the work undertaken by P. Lyall & Sons Construction Co. The vast experience possessed by the splendid organization at the command of the firm makes expansive work of the kind mentioned an easy matter, and from coast to coast the company's workmanship is well known and in splendid repute.

Personality Achieved It.

Powerful personalities have built up the reputation of the P. Yyall & Son Construction Company. It is a matter of "Like Father like Sons." More than fifty years ago Peter Lyall laid the foundations of the firm's strength and sound reputation for honest, efficient work. William Lyall, president, and T. O. Lyall vice-president, his sons, are responsible for the splendid progress made by the concern since 1912 when the big days of building construction in Canada were at their height. The traditions of an organisation deep-rooted in sturdy qualities of honesty and integrity have been maintained. No construction company has a better name in all the North American Continent than the P. Lyall & Sons Construction Company. With the certainty that the cessation of warfare will herald for Canada a tremendous development era, the prospects for a construction company such as the P. Lyall & Sons Co. are assured. Ready to undertake all classes of construction work from the engineering of canals and waterways to the development of water-powers and the building of everything civilized life needs, from a factory to an apartment house, this firm with its fine organization, and its splendid reputation forms a factor of commercial strength in Canada too powerful to be overlooked. It will not be overlooked by investors in the present and the future.

NEWS OF SECURITIES

Continued from page 3

last year. Expenses in recent months have absorbed about 78.7 per cent. of gross receipts and should this prove to be the ratio for the last four months of this year expenses and taxes will amount roughly to £8,550,000, which would leave approximately £2,300,000 for net earnings. However, all reports indicate that the increase in expenses in ratio to gross earnings continues, and it is, therefore, altogether likely that the final showing in net will be under that which has been indicated. The net earnings of the Detroit and Western lines are also showing appreciable shrinkage.

The announcement regarding the absence of interim dividend was followed by weakness in all of the company's junior securities. The 4 per cent. guaranteed stock declined as low as 50¼. Recent reports show the first preference at 56½, second preference at 46½, third preference at 21, and the ordinary at 9.

The Grand Trunk Railway system reports gross earnings for the month of September amounting to $4,750,053, while expenses totalled $3,875,808, leaving net earnings amounting to $874,245, which compares with $1,518,053 for September in 1916, and represents a falling off of $643,808, or 42.4 per cent. As compared with previous months the figures are as follows:—

Net—	1917	1916	Change
March	$ 948,299	$ 886,265	+ $ 62,064
May	810,541	1,082,809	— 272,268
June	1,308,255	1,350,272	— 42,017
July	1,214,730	1,276,145	— 61,415
Sept.	874,245	1,518,053	— 643,808

Gross earnings of the Grand Trunk Pacific Railway Company for the first week in October amounted to £32,849, an increase over the corresponding period in 1916, of £9,997, while from July 1, to October 7, the earnings were £344,014 compared with £239,814, an increase of £104,200.

CANADIAN NORTHERN.

The forecast of THE FINANCIAL POST last week that the maximum price in the agreement for the sale of the $60,000,000 of common stock of the Canadian Northern Railway to the Government, would be fixed at $10,000,000, has been followed by an announcement from Ottawa that this figure has been officially decided upon. The clause reads: "Should the value so determined be the sum of $10,000,000 or more, the price shall be $10,000,000. Should the value so determined be less than $10,000,000 the price shall be the value less than $10,000,000 so determined."

This sum is no doubt lower than had been anticipated in some quarters and it should not be considered except in relation to the fact that it represents the maximum which the commission may award the holders of the stock; they can fix the price at less.

It is interesting to note that about the time of this announcement from Ottawa, and after the forecast of this paper of the $10,000,000 figure, the *Wall Street Journal* reported that the Government had practically decided to pay $15,000,000 for the common stock outstanding. The *Journal* continued:

"That is the price at which the controlling interest (the other 40 per cent. is owned by the Dominion Government) was offered to the Canadian Pacific. When the Canadian Pacific management went to the Government for its approval of the purchase, the response of the Government was, 'We will take it ourselves.' Under the Canadian Pacific purchase act, which has not yet passed Parliament, arbitrators are to be appointed to determine and report the fair value of the stock. But the preceding negotiations between Mackenzie & Mann and the Canadian Pacific people have virtually fixed the price."

Net earnings of the Canadian Northern Railway System for the month of September showed a falling off of $306,700 as compared with the figures for the same month in 1916, and compared with August show a decrease of $167,300. Gross earnings for the month amounted to $3,341,700, an increase of $153,800 or 4.8 per cent., while operating expenses were $2,915,800 against $2,455,300, an increase of $460,500. Comparative figures of gross and net earnings for nine months follow:—

Month	Gross	Change	%
January	$2,832,600	+ $745,800	85.8
February	2,358,600	+ 269,400	12.9
March	3,273,200	+ 666,200	25.6
April	3,315,500	+ 491,200	17.4
May	3,784,700	+ 695,800	22.5
June	4,048,600	+ 671,400	19.9
July	3,844,900	+ 10,700	.3
August	3,405,200	— 279,700	7.5
September	3,341,700	+ 153,800	4.8
Month	Net	Change	%
January	$ 482,100	+ $226,700	88.9
February	108,200	— 21,200	16.4
March	618,100	+ 251,700	68.7
April	757,900	+ 208,000	37.8
May	1,054,400	+ 327,200	45.0
June	1,087,600	+ 102,600	10.4
July	904,900	— 292,500	24.4
August	598,200	— 478,800	44.6
September	425,900	— 306,700	41.9

The aggregate gross earnings from July 1, to the end of September amounted to $10,591,800, a decrease over the corresponding period in 1916, of $115,200, while the aggregate net earnings were $1,924,000, a decrease of $1,078,000.

CANADA STEAMSHIPS.

The ore handling season for Canada Steamships is practically at an end, and the upper lake boats have been turned over to the carriage of the new wheat crop. So far the average haul has been exceeding that of last year, and the rates themselves work out better from the company's standpoint. The rate to Georgian Bay from Port Arthur and Fort William is 4 cents and to Buffalo and Port Colborne, 4½ cents.

Already several boats that have been under lease to Steamships for the past season have been taken over by the Imperial authorities and will be taken across the ocean. Various rumors are heard of a dividend on common but opinion prevails that this will probably be deferred until over the year end.

ELECTRIC RAILWAYS

Securities Affected by the General Developments of the Week.

There has been no outstanding feature of the week with regard to the electric railway and other public utility securities, which, of course have been more or less affected by the general movements of the markets and by the imposition of the minimums on the Canadian exchanges. Brokers are of the opinion that the unsettled conditions with regard to public utilities, including such factors as high wages, costly materials and an antagonistic public opinion in many communities, may be having an undue influence on the minds of investors in these unsettled times, and that the future may not be so bad as prices would indicate. However, it must be recognized that the outlook is very uncertain, and those concerns which may have a bright and assured future must be prepared to share to a more or less extent the consequences of the general apprehension being felt.

In Ontario the hydro problem continues to be of great interest. The latest developments indicate that in order to allow Sir Adam Beck to live up to his industrial contracts many of the municipalities will have to cut down their supply of power for street light and other public purposes. There are increasing indications that there should be a general inquiry into the whole situation.

ILLINOIS TRACTION.

The Illinois Traction Company's September statement of earnings and expenses shows gross earnings amounting to $1,181,643 compared with $1,042,158 for the same month in 1916, an increase of $139,485. Operating expenses and taxes totalled $754,976, an increase of $110,911, and net earnings were $426,667 against $398,092, an increase of $28,575. For the nine months of the current year the gross earnings amounted to $9,806,324, an increase over the corresponding period last year of $931,526. Operating expenses were higher by $798,676, while net earnings showed an increase of $132,849. Comparative figures follows:—

September—	1917	1916	Change
Gross	$1,181,643	$1,042,158	+ $139,485
Expenses	754,976	644,065	+ 110,911
Net	426,667	398,092	+ 28,575
9 months—			
Gross	$9,806,324	$8,874,798	+ $931,526
Expenses	6,376,097	5,577,421	+ 798,676
Net	3,430,226	3,297,377	+ 132,849

TWIN CITY.

The September statement of revenue and expenses of the Twin City Rapid Transit Company shows gross revenue amounting to $849,506 which compared with the figures for the same month in 1916, show a falling off of $5,241. Operating expenses increased by $51,946 while net revenue amounted to $292,750 compared with $349,937, a decrease of $57,187. Fixed charges were higher by $17,793 and net income lower by $74,979. For the nine months of the current year the gross revenue showed an increase of $137,118 over the corresponding period in 1916 and net revenue showed a falling off of $274,966. Following are comparative figures for September and for the nine months:—

September—	1917	1916	Change
Gross revenue	$849,506	$854,747	— $ 5,241
Oper. expenses	556,755	504,809	+ 51,946
Net revenue	292,750	349,937	— 57,187
Fixed charges	167,620	149,827	+ 17,793
Net income	125,130	200,109	— 74,979
9 months—			
Gross revenue	$7,732,106	$7,594,988	+ $137,118
Oper. expenses	5,104,860	4,692,776	+ 412,084
Net. revenue	2,627,245	2,902,211	— 274,966
Fixed charges	1,356,714	1,292,994	+ 63,720
Net income	1,270,531	1,609,216	— 338,685

B. C. ELECTRIC.

Net earnings of the British Columbia Electric Railway Company for September show a decided improvement over the figures for the previous month. For September the net earnings amounted to $76,118, compared with $58,257 for August and $63,051 for September in 1916. The gross earnings amounted to $457,709 against $414,810, an increase of $42,899, while working expenses, maintenance, etc., amounted to $381,591, an increase of $29,832. Comparative figures of the gross and net earnings for nine months follow:—

Net.	1916	1917	Inc.
Jan.	$114,022	$130,470	$16,457
Feb.	96,522	101,680	5,158
March	91,298	100,448	9,150
April	77,867	97,088	19,221
May	62,830	72,729	9,899
June	56,399	21,245	*35,154
July	63,200	58,324	*4,876
August	74,134	58,257	*15,877
September	63,051	76,118	13,067
Gross.	**1916**	**1917**	**Inc.**
Jan.	$591,949	$627,130	$35,181
Feb.	572,935	581,555	8,620
March	446,401	456,626	10,225
April	421,265	447,429	26,164
May	414,215	438,919	24,704
June	400,814	373,029	*27,785
July	411,847	438,378	26,531
August	423,738	454,405	30,667
September	414,810	457,709	42,899

*Decrease.

The aggregate gross earnings from July 1, to the end of September amounted to $1,350,512, against $1,250,395 for the corresponding period in 1916, while the aggregate net earnings amounted to $192,699 compared with $200,385.

DULUTH-SUPERIOR.

The Duluth-Superior Traction Company reports gross earnings for the week ending October 21, amounting to $31,444 which is an increase of $3,670 or 13.2 per cent. over the corresponding period in 1916. For the three weeks of the month the earnings amounted to $92,681, an increase of $11,024 or 13.1 per cent., while for the year to date they amounted to $1,265,150, an increase of $167,520 or 15.3 per cent. Comparative figures follow:—

October	1917	1916	Inc.	%
1st week	$30,367	$27,321	$3,046	11.1
2nd week	30,868	26,560	4,308	16.2
3rd week	31,444	27,774	3,670	13.2

TORONTO RAILWAY.

Shareholders of Toronto Railway will be interested in the announcement of Mayor Church of his proposal to have the Board of Control immediately appoint a special council to probe into the statutes and become familiar with the terms of the charter of the Toronto Railway Company so as to be prepared for any litigation which may occur in connection with the negotiations between the city and the company when the franchise expires in 1921. That preparations are being started at this early date indicates that the negotiations will be of a highly technical character and bears out the forecast which has been made by an authority closely in touch with the situation that there will arise the most interesting litigation which has been heard in Canada in fifty years.

During the week Toronto Railway has sold down as low as 58½, but the majority of the sales have been at 60. There has been no news which has a direct bearing upon the market position.

BARCELONA.

After showing a measure of strength during the week Barcelona again sold down to 8¾ at the close. Sales as high as 9½ were recorded a few days ago. The movements indicated that the publication of the annual report had some favorable effect but that it was lost in the general downward tendency.

BRAZILIAN.

Brazilian was one of the stocks in which there was heavy realizing during the week and the price slumped down as low as 31¾. The close on Monday was 32 and there were a few sales later at this figure and fractionally higher. This is one of the speculative stocks in which the public is largely interested and the selling was an evidence of that nervousness which is being so generally felt.

DETROIT UNITED.

Although Detroit United is an American enterprise, the financial interests are so largely centred in Canada that a minimum price has been established on the Montreal exchange. This price is 104¾ and it is higher by 42¼ points than the minimum of three years ago.

QUEBEC RAILWAY.

The minimum on Quebec Railway is 15 and there have since been sales at that figure. Three years ago the minimum was 10½, but in the interval the stock has soared into the thirties on the strength of reports regarding a sale to the Government.

LIGHT AND POWER

WESTERN POWER OF CANADA.

The Western Power Company of Canada during September reversed ordinary conditions, while its revenue of $37,887 showed a decrease of 2.6%; its net earnings were $26,757, an increase of .4 per cent. The net earnings to date this year are $239,448 as compared with $188,071 for 1916. For the twelve months ending Sept. 30, 1917, the net earnings are $330,205, an increase of 29.6%.

NIAGARA FALLS CO.

The income statement of the Niagara Falls Power Company for September shows gross revenue amounting to $845,199 which compares with $774,312 for the same month in 1916, an increase of $70,887. Operating expenses and taxes, etc., showed an increase of $102,545, which left net operating revenue amounting to $529,494, a decrease of $31,658. Net income for the month amounted to $573,594, a decrease of $26,468. The statement for the month is as follows:—

	1917.	1916.	Change.
Oper. rev.	$845,199	$774,312	+ $ 70,887
Amort. and oper.	315,705	213,160	+ 102,545
Net rev.	$529,494	$561,152	— $ 31,658
Non-oper. rev.	44,100	38,910	+ 5,190
Net income	$573,594	$600,062	— $ 26,468
Interest, etc	249,285	248,935	+ 350
Surplus	$324,309	$351,127	— $ 26,818

SHAWINIGAN.

At a special meeting of shareholders of Shawinigan Water & Power Co. on Wednesday, the directors were authorized to increase the capital stock from $15,000,000 to $20,000,000, the amount permitted by the charter. J. E. Aldred, the President, confirmed his statement of a few days ago, that none of the new stock would be placed on the market at the present time, but the power granted would enable the directors to act to advantage when the opportunity occurred.

Mr. Aldred forecast a coming advance in prices charged for power of 25 per cent. and declared that the advance would be so much net profit to the company. The company would get close to steam power prices as hydro-electric power was even more dependable. The hydro companies were in an enviable position as they were not dependent to any appreciable extent on labor. Referring possibly to the late decline in Shawinigan stock the President declared that the company had never enjoyed more prosperity than at the present time, a condition that applied to all hydro-electric companies.

CONSUMERS' GAS.

The annual statement of the Consumers' Gas Company is reviewed in this issue. The figures of earnings and the statement of the president as to the developments of the year and the outlook for the future must be regarded as particularly gratifying at this time. The fact that the company does not fear electric competition is significant of the market which is developing for the company's product. Despite an increase in operating costs of 23 per cent. during the year, there was still a substantial increase in net profits. Under such circumstances the price of 148 can hardly be regarded as an indication of the intrinsic value of the stock.

MINING STOCKS

Weakness Still Evident, With Trading Light and Prices on the Down Grade.

There has been a steady decline in the prices of mining shares all week. On the whole, however, the drops have not been severe and, with the exception of two or three issues, the market may be described as having held up very well indeed in the face of the weakness in outside markets. Conditions were helped somewhat by the fine rally in silver, which carried the price back over the 90-cent mark. Quietness will doubtless continue until the war loan is disposed of, but towards the end of the year there should be improvement.

Changes in quotations are shown in the following table, and it will be noted that practically every issue has experienced a decline.

	Close Oct. 25	Close Nov. 1	Change
Adanac	.14½	.15	+ .00½
Beaver	.34	.33½	— .00½
Dome	8.05	7.50	— .55
Dome Ex.	.11¾	.10¼	— .01½
Hargraves	.09	.08¾	— .00¼
Hollinger	4.95	4.70	— .25
McIntyre	1.38	1.33	— .05
Nipissing	8.40	8.25	— .15
Vipond	.23	.21½	— .01½
Newray	.45	.47	+ .02
Timiskaming	.28	.27¾	— .00¼
West Dome	.17	.15	— .02

Average sales per day for the week were 57,772 shares, which is a very low average indeed, and indicates clearly how quiet trading has become.

	Transactions in shares	Bar Silver per oz.
Friday, Oct. 26	57,671	83¼c
Saturday, Oct. 27	42,974	83¼c
Monday, Oct. 29	63,058	84¾c
Tuesday, Oct. 30	55,425	90¾c
Wednesday, Oct. 31	41,099	90⅛c
Thursday, Nov. 1	86,405	89⅝c

Ore shipments last week from the Cobalt camp were larger again, once more crossing the million-pound mark. The following mines were shippers:

Shipper—	Cars.	Pounds.
Mining Corporation	8	503.640
Buffalo	2	175,715
Dominion Reduction	1	88,000
McKinley-Darragh	1	85.575
La Rose	1	65.960
Hudson Bay	1	65.574
O'Brien	1	65.000
Penn Canadian	1	61.727
Kerr Lake	1	60,065
Total	17	1,171,256

Bullion shipments for the week consisted of eighty bars, containing 80.800.66 ounces and valued at $67,064.55.

CONSOLIDATED SMELTERS.

Ore receipts at the Trail smelter continue to show improvement over the figures for the corresponding weeks of 1916. For the third week of October the 1917 receipts were 11,721 tons, as against 11,262 tons for 1916. For the first three weeks of the month the comparison runs as follows:

Week ending	1917	1916	Diff.
Oct. 7	12,594	9,753	+ 2,841
Oct. 14	10,044	7,271	+ 2,773
Oct. 21	11,721	11,262	+ 459
Total	34,359	28,286	+ 6,073

The difficulty over the embargo on ore containing over 4 per cent. zinc content has been settled. J. J. Warren, managing director, states that, inasmuch as Sir Joseph Flavelle, chairman of the Imperial Munitions Board, had agreed to purchase the surplus lead production of the company until March 1, 1918, the embargo would be lifted and normal shipments of lead ore accepted. Mr. Warren also stated that the company is in the market for all the high-grade zinc and copper ores that can be purchased, as the company's entire output of these metals is sold for months ahead. The new electrolytic zinc plant of the company is working very satisfactorily, turning out over fifty tons of zinc per day.

DOME MINES.

Dome shares have been among the weakest issues on the market this week, selling down from $8.05 to $7.50, which is the low point for the year. The stock does not appear to have been helped by the semi-annual statement issued during the week. This shows the following results for the six months ending Sept. 30:—Returns from bullion, $694,541; non-operating revenue, $7,269; gross income, $701,810; operating and developing costs, $534,575; net earnings, $167,234. Surplus March 31, 1917, $697,051; total surplus, $864,285. Depreciation of plant, $141,164; war tax on profits 1916-17, $27,415; dividends, $100,000; profit and loss surplus, $595,706. The balance sheet as of September 30, 1917, compares with statements as of March 31, 1917, and 1916, as follows:—

Assets.	Sept. 30, 1917.	Mar. 31, 1917.	Mar. 31, 1916.
Property acct.	$3,914,637	$4,457,192	$4,050,798
Cash	347,713	303,726	749,666
Bullion	40,977	......	......
Accts. receiv.	14,899	14,603	8,693
Sup. (at cost)	313,426	301,122	172,518
Prepaid ins.	15,552	......	3,842
Govt. bonds	......	......	48,435
Other assets	......	74,374	......
Develop. exp.	45,265	40,358	98,506
Total	$4,692,470	$5,191,375	$5,132,458
Liabilities—			
Capital stock	$4,000,000	$4,000,000	$4,000,000
Payrolls	13,961	17,786	37,671
Accts. payable	38,229	30,006	55,380
Accrued taxes, etc.	44,574	28,430	14,630
Reserves	......	418,103	422,211
P. and L. sur.	595,706	697,051	602,560
Total	$4,692,470	$5,191,375	$5,132,458

HUDSON BAY.

The annual meeting of the T. & H. B. Mining Company was held on Tuesday in New Liskeard. During the year ended August 31 a total income of $190,992 was realized from the operation of the T. & H. B. The operating expenses were $96,043.36, leaving a net profit of $94,949.39. The high price of silver has been of great benefit, and the president states that, "though it is impossible to make an announcement as to when dividends might be resumed, they look forward to a very successful year." Ore reserves are estimated at 107,614 ounces. Regarding the Dome Lake Mine of the Hudson Bay Company, it is pointed out that probable ore amounts to approximately 9,000 tons, valued at approximately $82,000, thus indicating a grade of over nine-dollar ore. The official report on Dome Lake is very encouraging.

MINING CORPORATION.

An option has been taken by the Min-

DIVIDENDS DECLARED.

The Civic Investment & Industrial Company

5th DIVIDEND

NOTICE is hereby given that a Dividend of One per cent. on the Paid-up Capital Stock of the Company (being at the rate of Four per cent. per annum) for Quarter ending October 31st, 1917, has this day been declared:

1st. To Shareholders of record October 31st, 1917, on the Montreal and London, England, Registers.

2nd. To Holders of Share-Warrants in Redemption of Coupon Serial No. 5.

Dividend cheques will be mailed to Registered Shareholders November 15th, 1917; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, October 15th, 1917.

The Civic Investment & Industrial Company

Operating

The Montreal Light, Heat & Power Company

66th DIVIDEND

NOTICE is hereby given that a Dividend of Two per cent. on the Paid-up Capital Stock of THE MONTREAL LIGHT, HEAT AND POWER COMPANY (being at the rate of Eight per cent. per annum) for Quarter ending October 31st, 1917, has this day been declared:

1st. To Shareholders of record October 31st, 1917, on the Montreal and London, England, Registers.

2nd. To Holders of Share-Warrants in Redemption of Coupon Serial No. 66.

Dividend cheques will be mailed to Registered Shareholders November 15th, 1917; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 Rue Barbet de Jouy, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, October 15th, 1917.

The Employer's Course

The Proclamation issued under the Military Service Act calls Class One men—bachelors and widowers without children (not otherwise excepted) who were 20 years old on the 13th Oct., 1917, and whose 34th birthday did not occur before Jan. 1st, 1917.

The claim for exemption may be made by the man himself, by his employer or by a near relative. So far as practicable, not more than one claim should be made in respect of any man. For reasons stated in the next paragraph, the claim is often best made by the employer.

When Employer Should Make Claim for Exemption

Where claim for exemption is based on the assumption that it is in the national interest that the man should, instead of being employed in Military Service, be engaged in other work in which he is habitually engaged, it is usually preferable that the claim be made by the EMPLOYER, inasmuch as the decision of the claim will involve, amongst other things, a consideration of the nature of the business, the number of men employed, etc.

Medical Examination

It will simplify the employer's problem if all Class One men in his employ present themselves for Medical Examination at the nearest Medical Board Centre.

Upon examination they will be placed in Medical Categories—A, B, C or E. Class One men placed in Categories B, C, or E satisfy immediate requirements if they attach the medical report they will receive to their claim for exemption.

Where an employer claims exemption for an employee on the ground that it is expedient in the national interest that the man should continue in the work in which he is habitually engaged, he should attach to the claim for exemption a statement and a schedule as follows:

The Employer's Statement

Total number of employees, grouping them according to their respective occupations and qualifications, and stating the number in each group. Indicate the possibility or otherwise of replacing the labor of Class One men with the labor of those not in the statutory class called up, or of women; also the extent to which the withdrawal of men in the statutory class would affect the business, the reason for considering that the carrying on of the business is in the national interest, and such other facts and circumstances as may appear to be relevant.

The Employer's Schedule

This should state the names, ages and occupations of all Class One men employed, noting against each name whether or not claim for exemption is being made, and whether in the employer's opinion, exemption, if granted, should be conditional on the man's continuing in his present occupation, or whether it would suffice if exemption were granted for one, two or more months, as the case may be.

Forms for Exemption

These forms may be obtained on request from any Postmaster, who will transmit the forms, when filled in, to the Registrar.

Issued by The Military Service Council.

ing Corporation of Canada on the Highland group of claims in Gowganda, a short distance south-east from the Miller-Lake-O'Brien mine. The corporation has also taken an option on the Gold property in the Township of Rickard, on which spectacular gold discoveries were made not long ago. The ultimate price to be paid is reported to be one of the biggest for an undeveloped mining claim since the early days of Porcupine. In addition to these two options, the corporation has purchased the property of the Alexandra Mining Company, between the Savage property of the McKinley-Darragh-Savage and the old Bailey-Cobalt.

NEWRAY.

The Crown Reserve Mining Co. have this week taken charge of all mining operations on the Newray, and M. W. Summerhayes, manager of Porcupine Crown Mines, becomes manager. The Crown Reserve are to receive 1,800,000 shares of stock in the Newray, in respect of which they are to provide $810,000 for the development of the mine. This arrangement provides ample funds for the development of the Newray and its equipment with a large, modern mill. Results on this property will now be awaited with interest, as the Crown Reserve directors have good judgment and are usually lucky in their ventures.

TECK-HUGHES.

The Teck-Hughes mill report for September shows a running time of 60.8 per cent. of total. 1,028 tons were treated of an average value of $7.93, comparing with 1,170 tons of an average value of $8.77 in August. The mine is steadily adding to its ore reserves.

WEST DOME.

It was rumored last week that the West Dome Consolidated Mining Company were negotiating for the purchase of the Dome Lake mill. This rumor has subsequently received a denial from officials of the Dome Lake mine. The West Dome Company have ore reserves of about two million dollars, and are known to be considering ways and means of milling.

OTHER STOCKS

Whole Situation Has Been Affected By the Imposition of New Minimum Prices.

The imposition of the new minimum prices has of course been the feature of the week and all stocks are affected by it. There can be little doubt but that many of them have benefited thereby in view of the continued weakness in New York. However, while the Montreal exchange has come out with a definite announcement of the minimum figures, this has not as yet been done in Toronto with the result that there is a little uncertainty as regards some of the inactive stocks because the minimum basis is generally stated at the closing price of Monday. In some cases there has been trading at the minimum and fractionally above, but for the most part the establishment of the dead line has served to check trading. It is hoped that the restrictions may not long be necessary, it being felt that the panic is due to public apprehension which is not warranted by the actual conditions prevailing.

AMES, HOLDEN, McCREADY.

Ames, Holden, McCready common came into the trading this week for the first time during October, sales taking place on the level of the last previous at 15. The figure referred to is the minimum which has been set for this stock under the new ruling and sales took place on Tuesday on this basis. The minimum of August, 1914, was 5½ points lower. There has been no activity in the preferred for some weeks.

A. MACDONALD.

There have been no sales of Macdonald for more than a week. The minimum has been put at 13½, which is the price at which last sales took place; it is 4½ points higher than the 1914 minimum.

ASBESTOS CORPORATION.

In regard to the position and outlook of the Asbestos Corporation of Canada the general sales manager reports:—

"As far as we can presently see, the demand for raw asbestos after the war should be maintained. New uses are being found for it every day, resulting in a bigger demand and a greater consumption.

"The Asbestos Cement industry, for building purposes, has grown tremendously, and, in all probability, the uses for this class of building material, after the war, should be very large."

There has been a heavy demand for asbestos since the war started and with much of the regular supply cut off the Canadian product finds a much wider market. Prices all over the world have soared. The Asbestos Corporation is in a very favorable position, as it produces the greater part of what is mined in Canada, and its sales for 1916 will be considerably exceeded this year. The price fixed for the common stock was 15, the ruling figure at the beginning of this week, but 3 points above the low of last week. The high mark this year was 20. Preferred is fixed at 44¾, which is the low for the year. This stock at one time reached 53.

ATLANTIC SUGAR.

One of the causes underlying the rapid growth of the business of the Atlantic Sugar Refineries during the period of a little over two years since the refinery at St. John began operations has been the form of newspaper and trade paper advertising, which has been unusually bright and snappy, and carries an appeal to the consumer and dealer far beyond the average. An instance of this has occurred this week, for on Wednesday morning there appeared in a number of papers an announcement that "Sugar Prices Drop!" and Atlantic was the firm that dropped sugar. The statement declares that "It is our opinion that the price of sugar in the United States and Canada will be gradually reduced during the next three months, and in accordance with this view this Company has to-day marked down all grades of "Lantic" 10c per 100 lbs. The statement reads further that while not a large stock of sugar is on hand to distribute at the moment the refinery will be kept running continuously, and without hoarding there was enough on hand to supply Canadian needs until the new crop was available. "Further reductions in price will be made by us from time to time as conditions warrant."

Among the trade it is reported that it is very difficult to secure supplies from 'Lantic, as it is from all the refineries, and any sales are on a basis of small quantities at one time. Whether Atlantic is making money on the reduction, with raws as high as they are, is doubtful, but the "loss" is not heavy, and probably is being charged up to "advertising," and would be fairly cheap at that. The company is in a strong position with the trade and shrewd moves like that described are certain to be reflected in increased business whenever the raw market permits.

B. C. PACKERS.

The declaration of a dividend of 4 per cent. for the half year payable on November 20, and the declaration of a half yearly dividend of 2 per cent., by the British Columbia Fishing and Packing Company, evidently put a rather better face on the British Columbia situation in the eyes of the investors. It has been known for some time that the close of the packing season had shown a far better condition of affairs than had at first been expected, and the declaration of dividends put the seal of authority on the many rumors of a fairly satisfactory season that have been afloat. There were a number of sales in the common during the week at 40. There was no activity in the preferred.

BRANDRAM-HENDERSON.

The earnings of this company this year so far exceed those of last year, which, in view of the greatly decreased building operations, must be considered as very satisfactory. It is understood that part of the larger business is due to a greater volume of export trade with Australia, New Zealand and other countries. As with most paint concerns, the activity in shipbuilding is certain to provide a new output for the factory.

CANADIAN FAIRBANKS-MORSE.

This company is one of those that succeeded in securing orders for the 6-inch shells that followed a general cutting down of munitions activity in Canada. For several weeks now they have been engaged in turning over the plant that was used before for 8-inch shells. This means a complete change in the tooling and the alignment. They will be ready to start on the new order by the first of December. Like most of those that were awarded, this one will last for six months, at the end of which time more are expected.

CANADIAN RUBBER.

Among the increases in the exports of Canadian manufacturers to Great Britain are rubber boots. The Canadian Consolidated Rubber Company has had a good share in this increase of business, and it is understood that orders are being filled both for the British and the French Governments. Some of these are held by United States firms, but the United States Government finds it necessary to secure a supply for the American soldiers and it may be that the other orders will revert to Canadian firms. The trade of Consolidated, THE FINANCIAL POST learns, has been very satisfactory for the year to date, and gratifying increases are being shown in every department. There is little movement of the stock, and the price fixed this week for the common, namely, 90, is within one point of the minimum of 1914, which was 91. The preferred is exactly the same, 97.

CANADA CEMENT.

The sales to date of the Canada Cement Company show a considerable increase over those of last year in spite of the slackness of construction work. One of the reasons assigned for this is that concrete is replacing the use of steel in many cases, both on account of the lessened cost, and also on account of the difficulty in securing steel through war demands. A pronounced demand, that has increased, is in the rural districts, where even this year the use of concrete has developed for the building of barns and silos. Further progress has been made in the use of this material for road making, and although the use in this direction has not as yet advanced as much as in the United States, the prospects are bright for the future. The regular quarterly dividend of 1¾ per cent. on the preferred was declared this week, payable Nov. 16 to shareholders of record Oct. 31.

Canada Cement common continued to hold its position fairly well in the face of the general weakness. The minimum in Montreal was set at 57 and sales have since taken place at this figure, which is 29 points better than was the previous fixed price. The preferred minimum is 90 and there have since been sales at this figure.

CANADA BREAD.

Canada Bread common has not been traded in during the past fortnight, and it is, therefore, difficult to judge of the effect of the new price regulations. Minimum prices have not yet been announced in Toronto. The price of flour remains unfixed by the Government and there is no change in the cost of the company's raw material; in fact the present demand for flour would indicate that buyers are not anticipating that there will be any material decline when the Government announcement is made. In any event the reduction, if any, will undoubtedly be so small as not to affect the price of bread and this should give some advantage to the bakers.

CANADIAN LOCOMOTIVE.

In the fixing of the minimums Canadian Locomotive is put at 61, which compares with last sales at 59-58 a couple of weeks ago. The minimum compares also with 30 in 1914, or an advance of 31 points. The company reports a continuance of very satisfactory conditions as regards the market for normal output. The preferred minimum is at 84½, an improvement of 5½ over 1914.

CITY DAIRY.

The inquiry of the Food Controller into the milk situation has not changed the plan of the Producers' Association to raise the price to Toronto distributors to $2.50 per 8-gallon can and that price has gone into effect after being held up for one month pending the investigation at Ottawa. Under the rates which the distributors are charging on the new basis there is a fractionally larger margin of profit, but whether this will continue seems problematical in view of reports to the effect that steps may be taken to limit the profits of the distributors.

So far as City Dairy is concerned, the president, C. B. McNaught, states that he does not anticipate that the net profits will be seriously interfered with; in fact, on the present basis there may be some improvement if operating expenses can be maintained on the existing level. Mr. McNaught states his belief that the Food Controller appreciates that at the present price of labor and other factors in the cost of distribution, milk cannot be sold cheaper than 15 tickets for a dollar if the distributing industry is to receive a return for its service and its investment. Wages have in some cases doubled, horse feed is away up, and bottles, cartons, etc., are commanding abnormally high prices. With City Dairy, Mr. McNaught explains that for months these rising costs have been absorbed through efficient management. The number of employees has been reduced owing to the shortage of labor and in every direction savings have been effected. In fact he states that such savings were absolutely necessary in view of the new conditions and the scale on which operations were previously conducted. Under the new management the company got on the right side of the books again in March last and has since held its position, thereby balancing up the relations of overhead, operating and turnover.

A few days ago there were a few shares of the company's stock changed hands, the common at 30 and the preferred at 60, indicating that despite the weakness in the market there are still buyers willing to maintain this price.

PETROLEUM.

International Petroleum sold down to $12.00 this week, the price being the lowest since early in September. In the meantime as high as $14.25 has been reached.

DOMINION CANNERS.

With the canning season at an end those interested in the canning situation, are eagerly awaiting some indication of how the Dominion Canners have come through a very trying season. The pack as a rule is known to be far below even the most chastened expectation, but there is still a belief current, that the company will from one source or another be able to make a fairly creditable showing and will show a profit even if it is of very limited proportions.

GENERAL ELECTRIC.

As compared with a closing figure of 10½ on Monday—which price will probably be set as the minimum of this stock—there were sales on Tuesday at 103, which seemed to indicate a return of moderate strength. However, on Thursday, 101½ was being asked with bidders showing interest.

LYALL CONSTRUCTION.

There have been no transactions in Lyall Construction since the middle of September. The last sales were at 62 and this is the figure which has been adopted as the official minimum. This stock was not listed in 1914 when the minimums were previously established.

RUSSELL MOTOR.

For the furtherance of operations on the contract secured from the American Government, to which reference was made in last week's issue of THE FINANCIAL POST, the Russell Motor Car Co. have taken out a charter in the state of Delaware and established an American company. The directorate, while not exactly the same as that of the Canadian Russell Co., has the same president and vice-president, with C. R. Burt as general manager. The factory formerly occupied by the Cychers Incubator Co. in Buffalo and containing 70,000 square feet of floor space, has been acquired, and the work of taking over and installing machinery has begun. Some of the staff have gone over and every effort is being made to put the plant in shape for early operation.

Russell common sold early in the week at 50, but there was no movement in the preferred shares.

SHERWIN-WILLIAMS.

The prospects of building up a trade on marine paints is attracting the Sherwin-Williams Co. and the new end is being pushed vigorously. The new plant of the company in Australia is operating and taking care of export business that would have developed with that country and New Zealand. The minimum for common is 60, and for preferred 99.

TOOKE BROS.

Although there have been no sales of Tooke Brothers common this year the minimum on the Montreal exchange has been put at 19, which indicates an increase of 3 points above the minimum of 1914. The preferred is placed on a minimum of 72¼, which is 2¾ points below the old minimum.

HIGHER PROFITS FOR WESTERN CANADA FLOUR

Milling Company Had a Good Year—President Says No Guarantee as to Wheat Prices.

A substantial gain in profits is reported by the Western Canada Flour Mills Company for the year ended, August 31 last and for the first time in the company's history the amount shown at the credit of profit and loss is over a million dollars. As the operations of the company are practically limited to milling, its results may be taken as indicative of the progress achieved by the milling industry during the past year. The fact that bonded indebtedness is being reduced from year to year, with a consequent reduction on interest charges, is improving the position as regards balance carried forward more rapidly than the increase in profits itself would produce the change. From $575,483 two years ago, this balance has now grown to $844,651.

The profit and loss accounts for 1915, 1916 and 1917 may be compared as follows:—

	1915	1916	1917
Brt Ford...	$502,262	$575,484	$ 688,268
Profits	340,063	376,260	418,023
	$842,325	$951,744	$1,106,291
Bond Int. .	96,865	93,500	91,664
Dividends .	169,976	169,976	169,976
	$575,483	$688,268	$ 844,651

The Wheat Crop.

President A. Kelly makes some interesting observations regarding the year's crop which he says is average in quantity and excellent of quality and with expeditious handling should materially assist in the general prosperity of the country. At the same time he comments that existing prices are not guaranteed and that long term contracts are not practicable. It is, he says, impossible to predict what the result may be, but with the demand for increased production the company should continue to operate with satisfactory results to the shareholders.

The high price which the company is being forced to pay for grain is reflected in bills payable which amount to $1,233,000 as compared with $829,000 in the previous report. The financial burdens of the company are therefore much greater than in normal years.

C. H. Boynton, President of the Russian-American Chamber of Commerce, speaking at the war convention of American business at Atlantic City said that Russia's financial and economic conditions are grave and her war indebtedness will be huge. And yet because of her resources she will throw off her burden rapidly as soon as the political strife within and war without cease and give the nation an opportunity to utilize its energy in peaceful pursuits and industrial development.

The Wisdom of a Will

There need be no uncertainty as to who takes the estate if a will be made.

Write for Booklet.

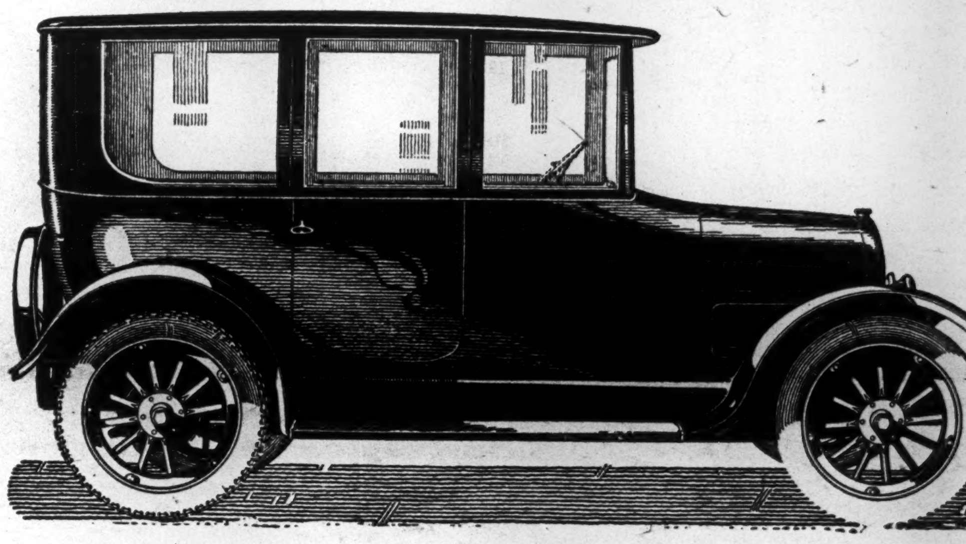
National Trust Company-Limited

Capital paid-up, $1,500,000
Reserve $1,500,000

18-22 King Street East
TORONTO

Overland
TRADE MARK REG.

Light Four Touring Sedan



Open Car Comfort—Closed Car Protection

THE OVERLAND Light Four Touring Sedan was designed to meet the growing demand for a popular priced car of the convertible body type—one that would give to its owner all the comforts and advantages peculiar to this type of motor car, without pulling too hard on his purse strings.

The top and window pillars are permanent. The side windows are adjustable and can be dropped into special spaces provided in the body and doors.

Open car comfort is yours in clear weather and closed car protection for stormy days.

The Overland Light Four Sedan is suitable for all weather conditions and all occasions.

BRIEF SPECIFICATIONS

Five Passenger
Divided Front Seats
Staggered Doors
Cantilever Rear Springs

Brewster Green Body—Black Top
4 Inch Tires
106 inch wheelbase
Auto-Lite Starting and Lighting

Other models in the Willys-Overland line include Light Fours, Model 85 Fours, Light Sixes, Willys Sixes and Willys-Knights, with a wide variety of types to choose from in the Touring Car, Roadster, Sport Model, Coupe and Sedan class.

The Overland Sales Co., Limited
94-100 Richmond Street W. Telephone Adelaide 661

Willys-Overland Limited
Willys-Knight and Overland Motor Cars and Light Commercial Wagons
Head Office and Works, West Toronto, Ont.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending Nov. 1:							Range 1917 to Oct. 25	
	Ask.	Bid.	High	Low	Low	Sales	High	Low
Banks—								
Commerce	185	...	185	184½	185	36	188	183
Hamilton	...	184	184	184	184	25	192	185
Hochelaga	...	140	140	140	140	5	145	140
Imperial	...	...	186⅞	185	185	27	200½	186⅞
Merchants	...	167	167	167	167	30	170	167
Molsons	...	179⅞	179⅞	179⅞	179⅞	15	186	179½
Royal	208	...	208	208	208	39	214	208
Standard	203	...	201	200	200	15	215	200
Union	...	137	137	135	137	176	142	135
Transportation—								
Barcelona	9	8½	9⅜	8¾	8¾	365	17	8½
Brazilian Traction	32	...	36	31¾	32	4,580	47¾	36
Can Steam., com.	39¼	...	40½	39¼	39¼	1,180	45⅝	29¾
Can. Steam., pref.	76	...	76½	76	76	287	93¾	75½
Canadian Pacific	134	132½	144	133	135	84	167½	145
Detroit United	104¾	...	105⅛	104¾	104¾	211	128	105¾
Duluth Super., com.	42½	...	42½	42½	42½	30	51	40
Illinois Tract., com.	...	32½	32½	32½	32½	7	35	—
Illinois Tract., pref.	...	80	80	80	80	5	89	79
Quebec R., L., H.	15	...	16	15	15	581	35½	14¾
Toronto Railway	60	...	61	58½	60	177	90½	60
Twin City, com.	...	78¼	78¼	78	78¼	29	95	77
Telegraph, Light and Power—								
Bell Telephone	130	...	130	129	130	69	150	129
Consumers' Gas	148	...	148	148	148	8	165½	147
Civic Invest.	68½	...	70¼	68½	68½	628	82⅞	70¼
Mackay, com.	75	74	76½	74	74	510	90	74½
Mackay, pref.	62	60	61	60½	60¾	82	68	60½
Shawinigan W. & P.	...	108½	108½	107	107	555	130½	108¾
Industrials—								
Ames, Holden, com.	14½	...	15	12	15	205	23¾	14
B.C. Fish, com.	...	40	40	40	40	100	...	...
F. N. Burt, pref.	...	86½	86¾	86½	86½	45	93½	86½
Brompton Pulp	...	39	40	39	39	375	53	41½
Can. Cement, com.	57	...	57¾	57	57	469	69⅞	56
Do., pref.	90	...	91¾	90	90	340	95¾	90
Can. Car, com.	18½	...	18½	18	18½	95	46½	17
Do., pref.	50	49	50	49	50	75	89	50
Can. Cottons, pref.	...	75	75	75	75	10	82	75
Can. Foundries	...	150½	150½	150½	150½	25	205	150
Can. Gen. Elec., com.	101½	...	103	101½	103	87	115½	100
City Dairy, com.	...	30	30	30	30	4	30	...
Do., pref.	...	60	60	60	60	2	70	60
Dom. Bridge, com.	...	128	128	128	128	40	170	125
Dom. Iron, pref.	...	87½	87½	87½	87½	3	95	88
Dom. Steel Corp.	52	...	55½	52	52	4,856	71¼	52¾
Dom. Textile, com.	80¾	...	81¼	80¾	80¾	188	89	76½
Do., pref.	100½	100	100	100	100	4	105	99½
Goulds Man., com.	...	100	100	100	100	100	100	...
Inter. Petroleum	12.25	11.85	12.75	12.00	12.00	200	15.30	11.60
Lake of the Woods	...	120¼	120¼	120	120¼	75	130	120
Laurentide	...	154⅛	154⅛	152	152	540	195	153¾
Maple Leaf, com.	98½	...	100	98½	98½	12	115	90
Mon. Cottons, pref.	...	100	100	100	100	5	103	99
Nat. Stl. Car, pref.	...	17	17	17	17	5	...	...
N.S. Steel, com.	80	...	80	79	79½	506	128	77⅛
Ogilvie Flour, pref.	...	110	110	107	110	6	115	110
Penmans, com.	...	65	65	64½	65	50	73½	61
Riordon Pulp, com.	117¼	...	117¼	116	117¼	35	127	106
Russell Motor, com.	...	...	50⅛	50	50	52	92	51
Sher.-Williams, com.	60	...	60	60	60	70	60	56
Smart-Woods, com.	55	53¼	53¼	53¼	53¼	50	55	44
Span. R. Pulp, com.	14	...	13¼	13	13	268	19	12½
Stl Co. of Can., com.	49½	...	51½	49½	49½	3,253	71½	50¾
Do., pref.	...	85¼	85¼	84½	84¾	138	100½	85

The Montreal Realty Co. has sold to the Civic Investment and Industrial Co. lots 1524-9, 10, 11, St. George's ward, measuring an area of 8,916 feet, with buildings fronting on St. Catherine Street west, No. 603, for $200,000.

Andre Brunet sold to Arthur Brossard this week a property under lots Nos. 386-205 and 206, parish of Montreal, and part of lot No. 1639-67. St. Antoine ward, with the buildings thereon erected, fronting on Souvenir Street, in the city of Westmount. measuring 48 by 110 feet, for $21,850.

HOMESTEADS

IN THE BANNER HOME PROVINCE OF ONTARIO

20,000,000 ACRES of the Finest Agricultural Land in Canada, Waiting for You in the Northern Part of Ontario

Think of it! Homesteads available at 50 cents per acre—close to railroads—close to markets—close to civilization and attending advantages.

Land of opportunity—you can make yourself a home within a short day's journey of Toronto.

Land lies in one of the best belts of Canada, along the TEMISKAMING AND NORTHERN ONTARIO RAILWAY, which has connections with the G.T.R., C.P.R., C.N.R., and C.G. Rys., thus bringing the settlers within easy reach of the profitable markets of the continent and Europe.

Prosperous towns, growing into cities; in this way local markets available to the settler for buying and selling.

You may have a happy home and a fertile farm at 50 cents per acre in your own home Province of Ontario—why, then, go far afield for these ideal conditions?

Exhibits of the products and of the possibilities of production of New Ontario's land have been shown at Canada's National and other Expositions, so that it is now known as Canada's land of production.

Not only land of agriculture, but embraces large and rich mineral belts from which annually millions of dollars of gold and silver are mined.

Learn More of This Land of Plenty by Sending for Free Booklet to George W. Lee, Commissioner and General Agent, North Bay, Ont.

TEMISKAMING & NORTHERN ONTARIO RAILWAY COMMISSION

Executive Offices: 56 Church Street, TORONTO, Ont.

Provincial Paper Mills Co., Limited

Mills at THOROLD, GEORGETOWN and MILLE ROCHES, ONTARIO

Largest manufacturers in Canada of Machine Finish and Super-Calendered Books, Bonds, Writings, Offsets, Featherweights, Coated Books and Boards.

Provincial Paper Mills Company, Limited

Head Office: Bell Telephone Building, 76 Adelaide Street West, TORONTO

AN OFFER MADE FOR PLANT OF ACADIA SUGAR

Montreal Capitalist Interesting Himself in Refinery's Affairs.

MEETING OF SHAREHOLDERS

No Information Given Out But a Committee Was Appointed to Take Up Matters With the Directors.

Special to The Financial Post

HALIFAX.—The meeting of the shareholders of the Acadia Sugar Refining Company was held on Friday last in pursuance of the notice sent out, which has been published in THE FINANCIAL POST. As to what occurred nothing has been officially given out. It is known, however, that one of the directors made a statement showing generally the financial position of the company but avoiding details and that a shareholders' committee was appointed to meet with the directors, hear a full statement of affairs, and prepare a report to be submitted at a later meeting of the company. This committee is composed of F. K. Warren, W. A. Black, G. L. Stairs, L. K. Payzant, and George Hensley.

The statement given to the shareholders showed that the company had three years of unprofitable business, that the present year is showing no improvement in this respect, and that the bank is insisting on a return of its loans, pointing out that present conditions cannot longer continue, and that the outlook for the holders of either preferred or common stock for realizing much, if anything, on their shares is not bright. The committee will probably be able to report to another meeting of the shareholders called for the purpose within a month.

A Montreal Offer

MONTREAL.—The shareholders of the Acadia Sugar Refining Company may accept an offer that has been made by a Montreal capitalist, THE FINANCIAL POST understands. It is generally regarded as very unlikely that any attempt would be made at the present time to reorganize the business and it may pass into other hands. In such a case it is probable that it would remain as it is until after the war, when additional capital would be available and much of the refinery re-built. The failure to dispose of the bonds and the heavy liability to the bank, in the neighborhood of $3,000,000, adds to the difficulty of a re-organization at present.

The Acadia Company was incorporated in 1893, in Scotland, as a consolidation of the Nova Scotia Sugar Refining Company, the Halifax Sugar Refining Company, and the Moncton Sugar Refining Company. A new plant was built at Woodside in 191 as the old one was burned in 191 Affairs have not been proceeding very successfully for several years and the keen competition started by the Atlantic Refineries at St. John in 191 seems to have been the final loa For some little time the refineries have been closed, partly owing to lack of raw sugar, and partly it is understood for financial reasons.

The net profits have been fluctuating for a number of years, and the interest on loans steadily increasing. In 1912 there was a deficit and a heavy one in 1915, the last year that a report is available.

Year	Net Profits	Int. on Loans		Surplus or Def.
1909	$162,456	$ 2,296	+	$ 2,002
1910	176,938	3,371	+	1,088
1911	211,027	771	+	38,463
1912	148,316	788	—	21,832
1913	169,406	9,703	+	2,571
1914	339,804	27,214	+	155,396
1915	147,008	139,540	—	149,726

WEST TRYING TO DISPOSE OF ITS LIVE STOCK.

Continued from page 1

fallen materially behind. With large stocks in country elevators, it is a little hard to understand why the forward movement to the lake front should not be greater, especially in view of the near close of navigation. Had it not been for the heavy lake storm of the past week there would have been boats in Fort William for which there were no cargoes.

Rush of Livestock.

The livestock situation is pretty tense and all railways have had to place an embargo against loading. On the last day of October Winnipeg yards had 6,000 cattle in the pens, 250 cars waiting to unload, and 1,000 cars in transit. The fact that many of the cars are mixed lots causes delay and takes up more room, and also the heavy co-operative shipments cause delay, as frequently there may be ten shippers to a car, and each man's cattle must be weighed separately. Many of the cattle coming in are being transferred from one section of the country to another owing to shortage of feed, but there is the usual blind rush to market with the first cold weather that is seen every fall. Heavy purchases of young butcher stock are being made for overseas contracts.

NEW GLASS WORKS WITH 500 WORKMEN

Premier Glass Co. With George P. Jones as President — Operating By First of Year—Aim to Cut Down Imports.

Definite steps have been taken for the organization of a new glass industry in Canada, and it may be assumed that the men behind the Consumers Glass Company make it certain that a vigorous development will be carried on. THE FINANCIAL POST is informed that F. P. Jones, president of the Canada Cement Company, has been chosen president of the glass company, and that Henri Jonas, a well known manufacturer of colorings in Montreal, will be vice-president. The capitalization is $1,000,000, and preferred shares will carry 7 per cent. interest. The stock will not be listed on the exchange, according to Mr. Jonas, as the total amount required has been subscribed by a dozen men, most of them representing industries where a large quantity of glass bottles are required. The name of Arthur Lyman, of Lyman's Limited, wholesale druggists, is mentioned as one of the directors, and the shareholders are said to include representatives of Chas. Gurd & Co., the bottling works, and of some breweries.

The new company has fallen heir to an excellent factory in Ville St. Pierre, a suburb of Montreal, with 700,000 square feet of property, and connection with the C.P.R., the Grand Trunk, and the Lachine Canal. It is expected that operations will commence about the first of the year, and that 500 men will be employed.

Speaking to THE FINANCIAL POST, Mr. Jonas stated that the company considered that there was ample room for a new glass factory in Canada, as the existing one was unable to supply the demand and large quantities had to be imported. The original company was the Atlas Glass Works, Limited, which was granted exemption from taxes in 1913 for ten years. The factory was not operated, however, and in 1914 the company was reorganized as the Premier Glass Works with an authorized capital of $3,000,000. Some time after the interests of this concern were secured by Mr. Jonas, and he has organized the Consumers Glass Company. The original company had $750,000 of paid up capital, and issued $350,000, 6 p.c., 20-year gold bonds. These, it is understood, were taken over by Mr. Jonas.

The organization of this new works is an important indication of a tendency among industrial men in Canada to develop in this country the production of goods that will lessen our import requirements and hold the balance of trade on the positive side for the future.

Supplementary letters patent have been issued by the Ontario provincial secretary increasing the capital stock of Investors Securities Corporation, from the sum of $20,000 to the sum of $50,000 by the creation of six hundred shares of new stock of fifty dollars each.

Western Canada Flour Mills Co., Limited

"Makers of Purity Flour"

PURITY FLOUR

WINNIPEG MILLS

ANNUAL STATEMENT for the Year Ending August 31st, 1917

HEAD OFFICE: TORONTO

MILLS: Goderich, Ont., Brandon, Man., Winnipeg, Man., Calgary, Alta., South Edmonton, Alta.

Andrew Kelly, President
J. E. Macfarlane, General Manager
D. B. Hanna, Vice-President
G. K. Stratford, Secretary-Treasurer

The Directors have pleasure in presenting to the Shareholders the Balance Sheet and Profit and Loss Account of the Company for the fiscal year ended 31st August, 1917:

The Profit and Loss Account carried forward from last year was..................	$ 688,268.81
The Net Profit for the year, after making provision for depreciation, for bad and doubtful debts, and for taxes, amounted to	418,023.03
Making a total at credit of Profit and Loss of..................	$1,106,291.84
This amount has been applied as follows:	
Bond Interest for the year	$ 91,664.34
Dividends at the rate of 8% per annum	169,976.00
Balance carried forward	844,651.50
	$1,106,291.84

No important extensions were made to the Company's plants during the year, but the machinery and equipment has been well maintained.

You will note an increased amount of Trade Paper under discount. This is owing to the high prices the Company is obliged to pay to the farmers for grain. The financial burdens of the Company are therefore much greater than in normal years.

The crop is a fair average in quantity and of excellent quality, and with expeditious handling will substantially assist in the general prosperity of the Country. Existing prices are not, however, guaranteed. No long term contracts are practicable, and it is impossible to predict what the result will be, but with the demand for increased production the Company should continue to operate with satisfactory results to the shareholders.

The Directors also have much pleasure in testifying to the faithfulness and efficiency of the Officers and Employees. At the present time 183 members are serving the Empire overseas.

Toronto, 22nd day of October, 1917.

A. KELLY, President.

BALANCE SHEET, 31st AUGUST, 1917.

ASSETS.

CAPITAL ASSETS:			
Real Estate, Buildings, Elevators, Machinery and Equipment	$2,629,633.99		
Patents, Trade Marks and Goodwill.	183,067.18		
Share Investments	653,986.74		
			$3,466,687.91
CURRENT ASSETS:			
Accounts and Bills Receivable......	$ 724,640.22		
Inventory and Stock in Trade	1,265,906.27		
Inventory of Bags, Barrels, Supplies and Deferred Charges	310,351.14		
Cash on Hand and in Bank	27,837.26		
			2,328,734.89
			$5,795,422.80

LIABILITIES.

CAPITAL:			
Authorized 25,000 Shares of $100 each.	$2,500,000.00		
Isued 21,247 Shares of $100 each..			$2,124,700.00
FIRST MORTGAGE 6% BONDS, Due 1st March, 1928:			
£225,000 at $4.86 2-3...	$1,095,000.00		
Less Sinking Fund.....	245,508.12		
		849,491.88	
First and Refunding 6% Bonds, due 1st September, 1931	$ 776,000.00		
Less Sinking Fund.....	120,870.43		
		655,129.57	
			1,504,621.45
CURRENT LIABILITIES:			
Bond Interest	$ 45,704.22		
Dividend Accrued, Payable 15th September, 1917	42,494.00		
Accounts and Bills Payable, including estimated amount for Two Years' War Tax	1,233,251.63		
			1,321,449.85
PROFIT AND LOSS ACCOUNT:			
Balance 1st September, 1916........		$ 688,268.81	
Profit for fiscal year ending 31st August, 1917, after making provision for Reserves		418,023.03	
		$1,106,291.84	
Bond Interest to 31st August, 1917	$ 91,664.34		
Dividends to 31st August, 1917	169,976.00		
		261,640.34	
Balance 31st August, 1917......			844,651.50
INDIRECT LIABILITIES:			
Customers' Paper under Discount	$2,351,489.08		
Guarantee re Brackman-Ker Milling Company, Limited	545,770.76		
			$5,795,422.80

We have audited the above Balance Sheet with the books and Records of the Western Canada Flour Mills Company, Limited, kept at the Head Office and Branches, and certify that in our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at the 31st August, 1917, according to the best of our information and explanations given us and as shown by the books of the Company.

Inventories have been certified as to quantities by the Company's Officials at the various points, and have been valued on a reasonable basis and after making provision for abnormal market conditions.

Provision has been made in respect of Doubtful Accounts and Bills Receivable.

All our requirements as auditors have been complied with.

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Chartered Accountants.

22nd October, 1917.

NOTE: $1,793,897 of customers' paper under discount since paid.

"Canada"—Who Cares!

STRANGE as it may seem, this is an attitude—thoughtless perhaps—taken by some firms in Canada when buying goods, which can be obtained in our Country.

We know whereof we speak. Many of our friends have found themselves up against this proposition. There are actually some buyers who will send thousands of dollars out of Canada, if a very small apparent saving can be made.

We preach, preach, preach, "Conserve resources, save money, save food, save the Country, save the Empire—build up our industries," and yet, Ye gods! do we practise what we preach?

If every Canadian buyer in this broad land would ask himself this question, and find the honest answer, the preaching might do some good. But without the honest answer, it would seem a waste of effort on the part of every well-meaning Patriotic Canadian.

Let us get this home to our people. We surely realize the necessity of keeping a full dinner pail for our workmen, and vaster still will be the necessity of finding occupations when our soldiers return.

Buying imported goods means working in the very opposite direction, and helping tear down our industries instead of building them up.

It might sound drastic—but would the Government be far wrong in placing an embargo on the importation of goods that can be obtained in Canada? Critical situations require drastic remedies. Other self-preserving Countries do such things, why not ours?

You financial men, who right now have a nother three hundred million dollar loan staring you in the face, must surely realize that every dollar sent out of Canada reduces our financial strength, and increases the burden for those who do stand behind their Country. You are the men to instill this doctrine, as your influence is paramount in many Canadian Industries.

Salesmanship

Every man in business is a Salesman, and here is a proposition he should "SELL" to every man he meets.

We employ Canadian Capital, Canadian Workmen and use Canadian Materials. Our proposition has commended itself to thousands of Canadian Employers, who use our recorders to protect their pay-roll. We are one of the firms that do practise what we preach: "Buy at home and keep the home fires burning."

International Time Recording Co.,
of Canada, Limited, Toronto
FRANK MUTTON, Vice-President

Robert Cassels W. G. H. Browne

Cassels, Browne & Co.

Members Toronto Stock Exchange

318 Dominion Bank Building
TORONTO

Direct Private Wire to New York, Chicago and Washington.

WESTERN CANADA:
Canadian Pacific Railway
FARM LANDS

Improved and Unimproved. In settled districts. Near Railroads. Easy terms.

J. H. Smith, Land Agent
504 C.P.R. Bldg, Toronto, Dept. F.

KNICKERBOCKER-WYOMING OIL CO.
Preferred and Common Stocks Bought and Sold.
CIRCULAR ON REQUEST.
L. N. ROSENBAUM & CO.
80 Wall St., New York

Watch Your Investments

There is no investment on earth you can buy and put away, and go off and forget about. Every day there goes on a readjustment of security values, and it is safer to know something about what you have your money in—or can put it in.

The successful investors use Standard Card Reports to keep in touch with the endless shifting in security values.

Available now to individuals on all listed Canadian and American corporations at 50 cents each. Banks and Brokerage firms have used these Standard Card Reports for fifteen years.

Address
Standard Statistics Co.
47 West St., New York City

The Mercantile Agency
R. G. DUN & CO.

Consult us before extending credit or if customers are delinquent.

Canadian Offices:

Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.

Address enquiries to

R. G. DUN & CO.
Dominion Bank Bldg. Toronto, Can

Individual vs. Corporation Management

Integrity, responsibility, good judgment regarding investments, knowledge of the law respecting trusteeship, executive ability—and these sustained without interruption—are necessary under modern conditions before a trustee can be considered wholly competent.

All of these qualifications can be rarely found in a friend or individual.

THE STERLING TRUSTS CORPORATION possesses all of these essential qualifications of a competent trustee, including assured existence throughout generations of beneficiaries.

The Company will afford complete protection to your estate if appointed executor and trustee under your will.

Our officers will be glad to confer with you in regard to the making of your will or the management of your estate.

THE
STERLING TRUSTS CORPORATION
HERBERT WADDINGTON Managing Director
80 KING ST. EAST · TORONTO
Telephone Main 2717

MONEY, BANKING AND EXCHANGE

SUBSTANTIAL GAINS ARE STILL SHOWN BY WEST

Eastern Clearings Slightly Lower Than Those for Previous Week.

GAIN IS 14.5 PER CENT.

Medicine Hat, Ottawa, Quebec and Kitchener Show a Falling Off—Clearings Show Gain of 27.4 Per Cent. for All Canada.

According to official returns to THE FINANCIAL POST bank clearings for the week ending Thursday last showed a gain of $36,496,492 over the figures for the corresponding period in 1916. In the West the gain was $30,425,163 or 37.3 per cent. and in the East $6,071,329 or 3.5 per cent. In the West Calgary led with a per centage gain of 63.3 per cent. and next came New Westminster with a gain of 40.6 per cent., Edmonton 37.7 Winnipeg 37.4, and Brandon 33.0 per cent. Medicine Hat was the only city in the West to show a falling off. Of the Eastern cities Brantford showed the largest gain of 24.9 per cent Ottawa, Quebec and Kitchener showed decreases. For the year to date the gain is $1.996,247,035 or 23.7 per cent Comparative figures follow:

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)
Eastern Cities.

	Nov. 1, 1917.	Change.	%
Montreal	$ 90 300 887+	$ 3,526,608	4.0
Toronto	64.025.091+	2,591,491	4.2
Ottawa	5,457,199—	600,892	9.9
Hamilton	4.583.550+	106.346	2.8
Quebec	3,403,395—	85,013	2.4
Halifax	2 856.309+	135.529	4.9
London	2.173,143+	120.571	5.8
St. John	1,748 991+	102.855	6.2
Brantford	808 035+	161.085	24.9
Peterboro	610,229+	27,939	4.8
*Sherbrooke ..	....	....	....
Kitchener	465.290—	15.191	3.1
Total, East..	$176.432,119+	$ 6,071,329	3.5

Western Cities.

	Nov. 1, 1917.	Change.	%
Winnipeg	$ 78.529.254+	$ 21.374 016	37.4
Vancouver	9,301,402+	2,268,008	32.2
Calgary	10.149.418+	3,934,269	63.3
Edmonton	3,763,961+	1,029.616	37.7
Victoria	1,676,173+	265,527	18.7
*Regina	....	....	....
Saskatoon	2,568,428+	600,400	30.6
Moose Jaw ...	1,936 380+	[illegible]	[illegible]
Ft. William ...	901,750+	213,232	31.3
Brandon	952 896+	[illegible]	[illegible]
Lethbridge	1,132,733+	168,590	17.5
N. Westm'ster.	423.517+	121.822	40.6
Medicine Hat..	632,983—	38,901	5.8
Total, West..	$111,968,895+	$ 30,425,163	37.3
Grand total.	$288.401,014+	$ 36.496.492	14.5
Yr. to date.	$10,407,402,535+	$1,996,247,035	23.7

*Returns not received at time of going to press.

Bank clearings for October for the whole Dominion amounted to $1,302,517,181 compared with $1,022,684,163 for the same month in 1916, an increase of $279,833,018 or 27.4 per cent. In the East the gain was $99,047,017, or 14.1 per cent, and in the West $180,786,001 or 56.2 per cent. Following are comparative figures for the month.

MONTHLY BANK CLEARINGS.
(In comparison with same month last year.)
Eastern Cities.

	October, 1917.	Change.	%
Montreal	$413,916,150+	$ 58,325,625	16.4
Toronto	274,055,595+	29,546,858	12.1
Ottawa	26,096,104+	608,658	2.4
Hamilton	22,708,496+	4,098,547	22.0
Quebec	18,044,391+	328,328	1.8
Halifax	14,456,928+	3,225,525	28.8
London	9,903,917+	852,235	9.4
St. John	8,436,913+	174,056	2.1
Brantford	3,942,454+	430,806	12.2
Peterboro	2,993,126+	524,255	21.3
Sherbrooke ...	2,984,673+	593,732	20.6
Kitchener	2,663,784+	338,392	14.6
Total, East..	$800 202,531+	$ 99,047,017	14.1

Western Cities.

	October, 1917.	Change.	%
Winnipeg	$330,359,788+	$120,189,900	57.2
Vancouver	44,978,846+	13,503,632	43.0
Calgary	44,138,771+	21,538,873	95.7
Edmonton	14,241,845+	4,263,302	42.7
Victoria	7,998,235+	902,681	12.7
Regina	22,323,432+	7,813,439	53.8
Saskatoon	11,550,315+	4,218,945	57.5
Moose Jaw ...	8,506,986+	2,815,942	49.4
Ft. William ..	3,364,648+	737,648	28.1
Brandon	3,710,426+	981,300	36.0
Lethbridge ...	5,813,302+	2,118,731	57.4
N. Westm'ster.	1,906,512+	623,221	48.6
Medicine Hat..	3,421,544+	1,078,387	46.0
Total, West..	$502,314,650+	$180,786,001	56.2
Gr. total...	$1,302,517,181+	$279,833,018	27.4

MONEY.

The 4 per cent. rate for call money, both in London and New York, has been the ruling rate throughout the week.

New York reports little change in rates for time money. In spite of a decreased demand, due to the liquidation in the stock market, underlying firmness characterizes the market on account of the light volume of offerings. Trading has been light. Rates for industrial money are 5½ per cent. to 5¾ per cent. for sixty days, 5¾ per cent. for ninety days and four months, 5¾ per cent. bid for five and six months. Loans on mixed collateral are 5 per cent. to 5½ per cent. for sixty days, 5¼ per cent. to 5½ per cent. for ninety days, 5¼ per cent. to 5½ per cent. for four months, and 5½ per cent. to 5¾ per cent. for five and six months. Trading in commercial paper continues dull, with rates unchanged at 5½ per cent. for four months and 5¾ per cent. for six months.

It was announced in New York that the "money committee" of the Federal Reserve Bank, which was formed to see that all proper money requirements were met during the Liberty Loan campaign, would be continued in the interest of future Government financing and of business interests generally.

EXCHANGE.

The movement in New York funds during the week has again been erratic. A week ago funds were at ½ per cent. discount. On Monday they opened distinctly stronger at 5/16 per cent. discount, but reacted during the day to ⅜ per cent. discount. On Tuesday, after opening at ⅜ per cent. discount, they rose to 5/16 per cent. and then weakened to ½ per cent. Wednesday saw an opening at 7/16 per cent. and a rise to ¼ per cent., at which funds were very strong. On Thursday, there was a reversal of form, and after opening at ¼. they dropped to 7/16 in Toronto and 9/16 in Montreal. Yesterday firmness again prevailed, with quotations around 5/16.

The lifting of the embargo on gold exports to Canada was doubtless the occasion of the early firmness. but subsequent movements are difficult to explain. There seems to be nothing on which to base an estimate as to what direction quotations will move. Meanwhile there is speculation as to what effect the placing of munition orders in Canada by the United States Government will have on the exchange situation. It seems to be the belief that by balancing accounts in both countries there need not be any question of exchange involved.

Demand sterling has exhibited no change during the week, being quoted at 4.75 3/16. Cables have been steady at 4.76 7/16.

Francs opened the week nearly three points lower at 5.74½ for demand went to 5.76 on Tuesday, and to 5.76¼ on Thursday.

Roubles opened at 13.76, sold down to 13.50, and then recovered to 13.80. Cables closed at 14.10.

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending October 25 aggregate $6,294,078,000, against $6,367,612,000 last week and $5,913,155,000 in this week last year, an increase of 6.4 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	Oct. 25	I. or D.	Oct. 18
New York ..	$3,535,442	D 3.8	$3,636,633
Chicago	503,736	I 10.5	514,963
Philadelphia.	358,279	I 22.4	340,354
Boston	280,289	I 29.0	255,444
St. Louis ...	159,802	I 29.5	155,587
Kansas City.	193,403	I 55.8	176,668
San Franc'co	101,687	I 34.0	100,973
Pittsburgh. .	90,555	I 14.8	76,222
Cleveland ...	76,748	I 38.9	81,175
Detroit	50,576	I 33.3	58,895
Baltimore . .	42,426	I 11.8	48,269
Cincinnati ..	40,487	I 4.6	43,126
Minneapolis .	39,378	I 5.1	42,569
New Orleans	48,323	I 22.4	43,891
Los Angeles .	28,780	I 10.0	30,308
Omaha	49,648	I 60.4	43,237
Milwaukee ..	26,146	I 12.4	30,098
Atlanta	52,970	I 73.5	51,298
Louisville . .	17,533	D 4.4	23,169
Richmond . .	38,436	I 62.0	35,342
Buffalo	20,900	I 27.5	21,861
Seattle	26.951	I 36.0	29,863
St. Paul ...	16,556	D 7.1	17,772

COMMERCE.

Flight-Lieut. Harold Faulkner, formerly accountant of the Wellington St., Ottawa, branch of the Canadian Bank of Commerce, has been reported killed in action. He enlisted in the artillery first but later transferred to the Flying Corps.

MONTREAL.

The Bank of Montreal will observe its one hundredth anniversary on November 3rd. When the Bank of Montreal was started Montreal's population was less than 20,000 and the population of the whole of Canada some 400,000. To-day the city's population is estimated at over 800,000.

UNION.

The regular quarterly dividend of 2 per cent. together with a bonus of 1 per cent. has been declared by the directors of the Union Bank of Canada. The bonus of 1 per cent. is the usual extra payment made on December 1.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Dom. Steel	52⅛	52
Brazilian	32⅛	32
Cement	57	57
Do., pref.	90	90
F. N. Burt, pref.	86⅛	86⅛
Toronto Rails	60	60
Consumers' Gas	148	148
Steel of Canada	49¾	49¾
Maple Leaf, pref........	92⅛	92⅛
War Loan (1937).......	94⅝	94⅝
Do. (1925)	96	96
Do. (1931)	95⅝	95⅝
Imperial Bank	185	185
Twin City	76	76

BANKERS SECURE ASSURANCE OF GOLD SHIPMENTS

Mission to New York and Washington Has Good Effect.

EXCHANGE HAS IMPROVED

Some Light on the Confusion Which Existed Last Week in Relation to Canadian Funds—A Sharp Reaction Solid.

Special to The Financial Post

NEW YORK.—The visit of Sir Vincent Meredith, Sir Edmund Walker, Sir John Aird and Edson Pease to Washington and then to New York this week was of special significance in the international exchange situation. For over two weeks now Canadian bankers in New York, and indeed bankers throughout the Dominion, have been vitally concerned in the New York money market. The fact that these distinguished Canadian bankers appear to have secured the assurances of Washington that gold will be released for shipment to Canada will do a great deal to right the exchange situation. The accumulation of funds to the credit of Canadian bankers here in New York was due almost entirely to the heavy sale of grain bills on this side of the border.

Last week's confusion gave way more speedily than was anticipated. In fact the situation had something of a serio-comic tinge. One day, midweek, Canadian funds were at a premium of 1 per cent. in New York. This was the highest point reached since August and September, 1914, when the market was so nearly demoralized. Canadian bankers here were at a complete loss to understand the sudden spurt. Next day the market broke to ½ of 1 p.c. premium. It developed that with Montreal Stock Exchange closed in sympathy with the holiday on N. Y. Stock Exchange, and most of the New York-Montreal wires shut off for the afternoon of Liberty Day absolute confusion as to rates existed and Canadian funds were, therefore, shoved up to the 1 p.c. premium

CANADA TO GET ORDERS TO TUNE OF $50.000 000 FROM THE UNITED STATES.

Continued from page 1

come in. It is known that the marine question is receiving close attention on both sides of the line.

Will There Be Objections?

It has been felt in some quarters that there might be objections raised on the other side to the placing of orders outside of the United States. The Liberty Loan was raised on the understanding that it would not be spent outside of the country. This naturally raises the point as to whether the U. S. Government will expect Canada to supply credit to cover such orders as may be placed here. This is deemed as unlikely, however. The orders are being placed simply because American industry is being taxed to the limits of its capacity now, and cannot produce immediately all that is needed. Under the circumstances some orders must be placed abroad, and Canada is so placed that she can handle them. That the U. S. Government is prepared to finance the operations seems logical, although it is too early to suggest what has been arrived at in that connection.

The Effect on Business

The placing of American orders in Canada is of tremendous importance in its bearing on the business outlook. Foresighted men were preparing for a gradual "letting down" of activity this winter. It was not feared that our prosperity would desert us, but, with the end of the munition industry in sight, a curtailment of buying power was foreseen. American orders will throw us back into the position we occupied before. Factories will be busy and help scarce as a result. Wages will continue high and buying power will be as great as ever. Our remarkable era of war prosperity has been given an indefinite lease of life.

LIQUIDATION OF C.P.R. SHARES IN WALL STREET.

Continued from page 1

with Union Pacific, a ranking railroad security, also on a 10 p.c. dividend basis like C.P.R. In this connection some statistics prove illuminating. C.P.R. has a bonded debt per mile of $18,748; Union Pacific, $42,262; C.P.R.'s stock debt per mile is $26,218; Union Pacific's $40,646. At the end of 1916 the C.P.R. had cash on hand of over 57 millions; the Union Pacific 17 millions. The C.P.R.' surplus was 233 millions and the Union Pacific's 138 millions.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - - $ 25,000,000
Capital Paid Up - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - 300,000,000

HEAD OFFICE, MONTREAL.

365 Branches in Canada and Newfoundland.
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando and Scarborough (Tobago); BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Consult Us About Your Will

While your mind is alert and active is the time to make your Will. Do not wait until you think you are going to die. Consider now how your Estate will be distributed and managed. Confidential discussion of this matter is invited without obligation or charge.

Montreal Trust Company
Sir Herbert S Holt, President. A. J. Brown, K.C., Vice-President.
TORONTO OFFICE: ROYAL BANK BLDG.
J. F. Hobkirk, Manager

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL.
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

BOARD OF DIRECTORS.
Sir Vincent Meredith, Bart., President.
Sir H. Montagu Allan, C.V.O., Vice-President.
R. B. Angus
E. W. Beatty, K.C.
A. D. Braithwaite
E. J. Chamberlin
H. R. Drummond
Sir Charles Gordon, K.C.B.E.
Hon. Sir Lomer Gouin, K.C.M.G.
C. R. Hosmer
Lt.-Col. Bartlett McLennan, D.S.O.
William McMaster
Major Herbert Molson, M.C.
Lord Shaughnessy, K.C.V.O.
Sir Frederick Williams-Taylor
A. E. Holt, Manager
TORONTO BRANCH - - - - - - - - - 59 YONGE ST
BRUCE L. SMITH - - - Manager

THE STANDARD TRUSTS COMPANY
Head Office - - - - - - 346 Main Street, WINNIPEG
J. T. GORDON, Esq., President
(President, Gordon, Ironsides & Fares Co., Ltd.)
WILLIAM HARVEY, B.L., Vice-President and Managing Director.
W. E. LUGSDIN, Secretary-Treasurer.
Authorized Capital ....$ 1,000,000.00
Subscribed and Fully Paid 750,000.00
Reserve and Surplus 500,000.00
Total Assets 15,000,000.00
Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.
By appointing this Company your Trustee and Executor or Financial Agent, you ensure expert and continuous service, and safeguard your Estate against mismanagement and loss.
Will forms supplied on request, free.
All business of a Trust nature transacted.

The most important document a person of large or small means is called on to prepare is his
LAST WILL AND TESTAMENT
It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."
CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Mercantile-Trust Company of Canada
LIMITED
Hamilton, - - - Canada
Acts as Executor, Administrator and Trustee. Administers Real Estate.
We have special facilities for handling property in the Niagara Peninsula.
Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment Terms one to five years.
THE EMPIRE LOAN COMPANY, Winnipeg, Man.

Is It Fair to Make Your Friend Your Executor?

Perhaps you feel you honor him with your trust. You certainly burden him with a great responsibility. Few individuals can spare the time and few have the ability or experience to properly carry on the duties of Executor of an Estate. Our thirty-five years' experience in the care and management of Estates and Trusts is evidence of our worthiness to be appointed your Executor. Write for our Booklet, "A Talk with a Business Man."

THE
Toronto General Trusts
CORPORATION
Established 1882
Branches: Ottawa, Winnipeg, Saskatoon, Vancouver
HEAD OFFICE - - - 83 BAY STREET - - - TORONTO

NEWS AND VIEWS FOR MANAGERS

INVESTMENT IN WAR LOAN NOT DISCOURAGED

Branch Managers Reply to Charge of the Toronto Telegram.

OUT TO AID ISSUE

Bank Officers Naturally Interested in Showing of Deposits But Not To Extent of Working Against National Financing.

Last week THE FINANCIAL POST dealt with the editorial charge of The Toronto Telegram against the branch managers of Canadian banks that they would encourage customers to conserve their deposits and thus work to the detriment of the new war loan, giving official refutation in the shape of a number of statements from the head offices. At the same time that steps were taken to secure the statements referred to, a number of communications were sent to branches in different parts of the country to secure the views of the branch managers themselves on this matter—a matter which is of importance in view of the serious nature of the charge made.

A number of replies have been received and several of them are here reproduced. They indicate that while the branch manager is naturally interested in maintaining a good showing of deposits, every encouragement will be given to the support of the national issue as has been done in the past. This appears to be not only a case of following head office instructions—to which reference was made last week—but of giving sound advice to the bank's customers. One manager makes the point that the argument may be used effectually to the customer who has made a withdrawal for the purpose of investing in the war loan that he should make every effort to bring up his savings surplus again. Following are some of the replies received:

Bank of Commerce.

"The local bank managers of this Bank do not in any way discourage depositors from investing in war bonds. On the other hand we do all in our power to facilitate the sale of war bonds. We advise our customers, when we are consulted, as to what we think is in their best interests in the matter of investments."

Dominion Bank.

"Speaking generally you can quite understand that a branch manager's general attitude towards his depositors purchasing stocks or bonds would naturally be adverse to their doing so. I never offer advice to a customer on such matters; if my advice was asked I would, of course, give an unbiased opinion in regard to the matter, and at the same time do my best to persuade the customer from depleting his account. As regards the Victory Loan we are not expected to discourage purchase to save our deposits, but I would naturally point out that it was the duty of the depositor, in the general interests of the business community, to commence saving again as rapidly as possible, so that credit for the manufacturing and other business of the country should not be curtailed."

Bank of Toronto.

"Our orders respecting War Loan Bonds are directly contrary to the suggestion in the Toronto *Telegram*, as we are instructed to lend every assistance in our power to the Committee having the placing of the coming loan before the public and, when asked, to recommend the bonds without any qualification as a safe and desirable investment. This of course does not imply that we should betray the confidence of a customer and state what amount if any he or she has at credit.

"We are not expected to discourage investments by customers in any way and it would be unwise to do so as such action would in the long run militate against our own interests. Speaking for myself I have always, when requested, given customers any assistance in my power in making investments and in many cases have acted for them where they were not familiar with course of procedure."

Molsons Bank.

"In reference to your enquiry of the 24th inst. I might say that while Bank Managers as a rule do not gratuitously offer advice to customers in reference to their investments, at the same time when asked they usually try to give the best advice in their power. In reference to the War Loans, I might say that our Head Office advised their Managers to give the loans every assistance and to bring it to the attention of the depositors at their Branch."

Altogether the inquiries which have been made in connection with the matter indicate that there is no justification for the thought that bank managers would, with the nation approaching what may easily prove a financial crisis, encourage their customers from displaying both loyalty and sound business judgment in the purchase of the government's bonds.

* * * *

In discussing this question of the flotation of the war bonds with a branch manager he mentioned that the idea that the managers were discouraging investments in the national issue might have been encouraged from the fact that bank officials will not take an active part in the selling campaign now being organized for the coming issue. The reason for this can be readily understood when the peculiar position of the manager in relation to the bank's customers is considered. In the banking profession the affairs of the customer of the institution are handled with that degree of privacy which exists in the relations between lawyer and client and doctor and patient. Were the bank manager to join a selling organization, even though he did not approach his own customers as a salesman, the impression would be created that he was giving to others particulars as to the financial standing of people whose affairs have been placed in his hands on a basis of professional trust.—J.W.T.

WAR BONDS BEING ACCEPTED AS CASH

Merchants Advertise That Customers Will Find War Issue Acceptable in Making Purchases.

"We are doing this entirely of our own accord; it was not suggested by the Government or the war loan organization," stated James Ryrie of Ryrie Bros., Limited, when asked by THE FINANCIAL POST regarding the firm's offer to accept Victory Bonds as cash in the purchase of their wares.

Mr. Ryrie explained that they had decided on this policy because they felt that many of their customers might hesitate at this time to buy silverware or jewelry with cash, whereas, if they paid for the goods with war bonds, they knew that their money went to the Government. It would also have the effect of impressing on investors the fact that war bonds were worth every cent that was put into them and were readily negotiable.

Already quite a number of merchants have followed the example of Ryrie Bros. and have advertised that they will adopt the same plan and it is quite likely that many others will follow suit. Nothing could be calculated to maintain the price of the bonds more effectively than the widespread adoption of this policy. In view of future financing it is exceedingly desirable that there should be no break in price such as followed the issuing of the third loan and any steps that may be taken that will tend to support prices should be approved.

Merchants, who do agree to accept bonds at par, are of course assuming a certain risk. There may be a decline in price, which would diminish the value of their holdings. At the same time it is unlikely that the firms, which can afford to take bonds instead of cash, will be forced into such a position that they would have to liquidate. They will rather take the bonds as a permanent investment for their surplus profits and hold them until maturity or until values improve, all of which will help to stabilize prices.

It is probable also that these firms will safeguard themselves by subscribing to fewer bonds on their own account than they might otherwise do. They would figure on a certain subscription and allow for an amount which they might reasonably expect would come in, in trade.

On the other hand, there is a fair chance that Canadians will respond so nobly to the appeal for money that the bonds, instead of weakening in price, as they did in the case of the third loan, will increase in price, as with the first and second loans. Merchants would then find it necessary either to cancel their offer or to raise the cash equivalent concurrent with the rise in the market price of the bonds.

In addition to Ryrie Bros., Limited, in Toronto, Heintzman & Co. and B. & M. Jenkins have offered to take bonds in lieu of cash and in Montreal, Henry Birks & Co. and the House of Browne, Limited, have made similar offers.

RAND GOLD OUTPUT.

A Decrease Shown in the Returns for September.

The London secretary of the Transvaal Chamber of Mines has received a cablegram from Johannesburg advising that the total gold output of the mines of the Transvaal for September amounted to 712,881 ozs. for the Witwatersrand district, value £3,028,128; 25,335 ozs. for the outside districts. value £107,679 total, 738,231 ozs. of fine gold; total value £3,135,807.

The production in August was 731,405 ozs. for the Witwatersrand district, value, £3,106,811; 25,253 ozs. for the outside districts, value £107,268; total, 756,658 ozs. of fine gold; total value, £3,214,079. And in September, 1916, 744,881 ozs. for the Witwatersrand district, value £3,164,052; 26,686 ozs for the outside districts, value £113,356; total 771,567 ozs. of fine gold; total value, £3,277,408.

WILL AMERICAN BANKS ENTER THE CANADIAN FIELD

Interesting View of Situation by Editor Bankers' Magazine.

CANADIAN BANKS IN U. S.

Seven Agencies Have Been Established in New York and Others in Other Cities—U. S. Banks Enter Foreign Fields.

Special to The Financial Post

NEW YORK.—Will the Canadian branch bank system in any way be broken into by the entrance of American banks into the Dominion's banking field?

E. H. Youngman, editor of the Banker's Magazine, came forward this week with a frank, strong plea for reciprocity in international banking. His special brief curiously enough was on behalf of the Canadian banks in the United States. Bankers throughout the Dominion will have a vital interest in Mr. Youngman's enunciations. There are seven agencies in New York city of Canadian chartered banking institutions. These seven agencies represent 60 per cent. of the total of Canada's entire banking capital, which at the end of September, 1917, amounted to $111,666,656. In addition to the New York agencies Canadian banks are represented at San Francisco, Chicago and Spokane, Wash. "The fact that new branches have been established here from time to time would seem to warrant the inference that Canadian banks find in this country a profitable field for their operations," Mr. Youngman suggests.

The banking laws of the United States generally restrict operations of branches of foreign banks. Foreign banks here must deal only in exchange and receive funds for remittance abroad. They are denied the privileges of conducting a general deposit and discount business.

When American banks acting under the authority recently given to them establish branches in foreign countries, they expect to encounter no such restrictions upon their transactions. They hope to do a general banking business, including the receipt of deposits, and the granting of discounts. Whether they may be granted these broad privileges in all cases is another question.

Bringing his application down to the Canadian attitude in this regard Mr. Youngman, in treating of the matter this week, said:—

CANADIAN BANKS IN THE UNITED STATES.

Several of the chartered banks of Canada have branches in the United States, and the fact that new branches have been established here from time to time would seem to warrant the inference that Canadian banks find in this country a profitable field for their operations.

It has been pointed out in previous issues that the banking laws of the respective states quite generally restrict the operations of branches of foreign banks to an exchange business, and to receiving funds for remittance abroad. They are, as a rule, denied the privilege of conducting a general deposit and discount business. It has been pointed out as well that when American banks, acting under authority recently given them, establish branches in foreign countries, they expect to encounter no such restriction upon their transactions, but hope to do a general banking business, including the receipt of deposits and the granting of discounts. Whether they may be granted these broad privileges in all cases, is another question.

It is at least an interesting subject of speculation to consider what will be the attitude of the Canadian banks and the Canadian Government should American banks seek to establish branches in Canada. The possibility of our banks wishing to gain a foothold in Canada is by no means a remote one, if an opinion may be ventured based upon the very close banking and business relations existing between the two countries.

The Federal Reserve Act limits the right to establish branches to national banks having $1,000,000 capital and over. This minimum is so small compared with the average banking capital in Canada that both the Dominion Government and the Dominion banks might consider it just to exclude such banks on the grounds of insufficient capital. But quite likely, if American banks should seek hereafter to locate branches in Canada, the movement will originate with some of the very large banks in New York, Boston and Chicago to which the objection of insufficient capital would not apply.

So far as is at present known, a movement of this character is not contemplated, but in view of recent banking developments a discussion of its probability is not untimely.

The doctrine of trade reciprocity between the United States and Canada has been repudiated by the latter country. What will be the attitude of Canada should the question of banking reciprocity as above outlined become a practical matter?

It would seem desirable, in view of the growing financial importance of New York, that the present restrictions against foreign banks having branches here should be modified. This movement might be hastened by the display of a liberal policy toward outside banks on the part of other countries.

SMALL CHANGE SHORTAGE.

An Important Problem To Be Solved in United States.

The United States Treasury is confronted with a shortage of small change and notes, which so far it has been unable to relieve. In fact, the situation is becoming worse each day as the Christmas holidays approach and the demand for small notes and subsidiary silver increases.

What to do is fast becoming a question that is causing Treasury officials much concern. The situation is accentuated by Government demands in supplying army paymasters with funds to pay off U. S. troops and in paying for construction of the various army cantonments.

In supplying the Government first, where scarcity of small notes is so pronounced, others, that is, corporations, banks, business houses and private parties, must suffer. As fast as the Bureau of Engraving and Printing can work, it is cutting up $10 and $5 silver certificates into $1 and $2 certificates. Under a recent law, bank notes can be issued in denominations of $1 and $2, but before this can be done, plates have to be engraved. It takes several weeks to engrave a set of plates and, while the banks are rushing in their orders for the plates on which to print notes of lesser denominations than $5, $10 and $20, there is no immediate relief in sight and no substantial improvement is hoped for from this source before spring.

It has been suggested that the Government can meet the dearth of small change by issuing "shin plasters"—10, 25 and 50 cents—to be redeemed when the U. S. mint can find time to coin these small denominations of subsidiary silver, in excess of the Government demands.

The Treasury has $7,633,000 of silver bullion available for this purchase, but because of the advance in silver has not been in the market recently for silver bullion. Of course, it will require legislation to enable the Treasury to print shin plasters, but it is stated that Congress would likely be agreeable to the plan, as no other way now seems available to meet the situation.

The number of women workers in German mines was 37,563 in last quarter of 1916, compared with 7,265 in the same period of 1914.

The Standard Chemical
Iron & Lumber Co. of Canada

MAKERS OF
CHEMICAL WOOD PRODUCTS

THE COMPANY IN FIGURES

ITS capital stock is $5,000,000, divided into 7% cumulative Preference Shares, and Common Stock. The Preference Share issue is $3,750,000, and the Common Stock issue is $1,250,000. Practically the whole share capital of the Company has been subscribed—all but about $150,000. The assets of the Company and of its subsidiary companies, as shown in its last annual balance sheet, amounts to the huge sum of $7,310,586.90.

The sales of the Company for the past four years are as follows:

1914	$1,989,370
1915	2,337,200
1916	3,519,124
1917 . .estimated over	4,000,000

These figures indicate the magnitude of the Company's business, and are also an index to its strong position as a commercial industry.

SUBSIDIARY COMPANIES

The Standard Woods Chemical Company, Limited. This company handles the sales in Great Britain.

Wood Products Company, Limited. Factory at Donald, Ontario.

Standard Iron Company, Limited, at Deseronto, Ontario.

Canada Chemical Co., Limited. Factory at Parry Sound, Ontario.

Laurentian Chemical Company, Limited. Factory at Mont Tremblant, Quebec.

THE COMPANY'S FACTORIES

The Company has factories at Longford Mills, South River, Sault Ste. Marie and Thornbury, in the Province of Ontario; and Cookshire, Fasset and Weedon, in the Province of Quebec. It has refineries at Montreal and Longford Mills; a saw mill at Longford Mills; iron furnaces at Parry Sound and Deseronto; and lime kilns at Eganville, Ontario. Its timber limits and sources of wood supply are scattered over a wide territory in Ontario and Quebec, but always as near as possible to the Company's factories.

RAW MATERIALS

The beginnings are the forest operations—the procuring and preparation of birch, beech and maple wood. These three varieties of hardwood are best suited to the commercial distillation of wood.

FINISHED PRODUCTS

The following statement of the production for the past year of the Company will show better than words the magnitude of the operations of the Company:

Charcoal	75,000 tons
Wood Alcohol ...	1,300,000 gals.
Acetate of Lime .	13,000 tons
Acetone	1,700 tons
Acetone Oils	100,000 gals.
Acetic Acid	1,500,000 lbs.
Formaldehyde ...	3,000,000 lbs.
Acetate of Soda..	300 tons

CHARCOAL AND ITS USES

A few years ago charcoal as a commodity of commerce scarcely existed in Canada. Today, the public consumes 1,000,000 paper bags of it a month—for lighting their fires chiefly. Almost every city grocery store in Canada sells charcoal.

ACETIC ACID

Its uses are mainly in the manufacture of paint and white lead, and for both bleaching and dyeing. Another derivative, acetate of soda, is also of importance in the dyeing of textiles.

WOOD ALCOHOL

Wood alcohol is an exceedingly important article of commerce, both in its own form and in its derivatives. Like acetone, it is largely used as a solvent of gums, resins and fats, and is extensively used by paint and varnish manufacturers. For furniture varnishes in particular wood alcohol is valuable—this since it is not too volatile, and so does not cause a too rapid drying, the effect of which would be to cause streakiness or unequal covering depth.

FORMALDEHYDE

Is used in large quantities in the Canadian West as a preventive of smut in grain and roots. The grain is sprinkled with diluted formaldehyde and this kills the bacteria which may otherwise develop, after the grain has been sown and is grown. The saving of crops as the result of grain treatment with formaldehyde represents money gain to both the farmer and the nation impossible of measurement.

ACETONE

Acetone is a solvent largely used in the manufacture of cordite.

Acetone oils are powerful solvents, used in the making of brass lacquer, and for the manufacture of artificial leather.

THE
COLONIAL INVESTMENT
AND LOAN COMPANY

Capital Authorized - $5,000,000.00
Capital Paid Up - - $2,453,995.83
Assets - - - - - - $3,527,985.91

HEAD OFFICE:
15 Richmond Street West
TORONTO, ONT.

Clients of Yours

YOU may have clients with small or large sums to invest for periods anywhere up to 10 years. Recommend to them

COLONIAL
5½% DEBENTURES

These are issued in denominations of $100 and multiples thereof.

Interest Coupons are attached, payable half-yearly, to bearer.

COLONIAL DEBENTURES are made secure by the deposit of $125 worth of mortgages and other authorized securities, for every $100 Debenture with the Imperial Trusts Company of Canada, under a Trust Deed.

Write or 'phone for full information.

THE FINANCIAL POST
OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - - R. G. DINGMAN

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

ADVERTISING RATES:

Single insertion ....$ 1.50 per inch
Yearly insertion .... 40.00 per inch
Financial Reports, Prospectuses, etc., 15 cents per agate line.

SUBSCRIPTION PRICE:

Canada and Mexico ....$3.00 per annum
United States .... 3.50 per annum
Great Britain, Ireland and Colonies having minimum postal rates .... 12s. 6d.
France and other Countries .... 16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

Published by

THE MACLEAN PUBLISHING COMPANY, LIMITED

143-153 University Avenue, Toronto.
MONTREAL, Southam Building, 128 Bleury St., H. M. Reid; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, 1104-7 Fort Dearborn Bldg., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

Toronto, November 3, 1917.

ALL POWER TO MR. CARVELL.

THE action which the new Minister of Public Works has taken in shutting down on government activities on public undertakings is just what many of his friends expected of F. B. Carvell. That such action is taken in the face of an approaching election is typical of a man who would rather serve the public than play politics. It is only to be regretted such action was not taken long ago. THE FINANCIAL POST has been advocating the cutting off of all but vitally necessary expenditures ever since the outbreak of the war.

Mr. Carvell expects that his action will win him unpopularity. If it does it will be of that quality which should not influence men in public positions. And we predict that before Canada has finally solved her problems of war finance the people will be brought to appreciate the wisdom of the course he is taking.

The progress of the war makes it more and more evident that Canada will not only have to finance her own way to the end but will have to finance orders placed here by Britain and the Allies—orders which we must fill to maintain our own industrial prosperity and to fulfil our duty in the great cause. To do so will mean that every dollar must be used to productive ends and governments and individuals will both have to understand this in a way which as yet they are only beginning to appreciate.

Let us hope that Mr. Carvell's policy of war-time retrenchment will not stop in the department of Public Works.

REGULATING THE PACKERS.

IN how far the proposal for the regulating of the packing industry is a sincere effort to reduce the cost to the consumer and the return to the hog raiser and in how far it is a political move to satisfy an aroused public opinion on the eve of an election is difficult to decide. Business should have no reason to fear intelligent regulation—it must expect it in these abnormal times—but a mere effort to pander to an unreasoning public will not lead anywhere.

In this and other phases of his duties it is to be hoped that Mr. Hanna will not allow his political affiliations to over-ride his business judgment. Because one packing concern has shown big profits—profits which were the result of immense turnover rather than undue margin—is no reason why the whole industry should be regulated into a state where smaller concerns may be ruined. From the standpoint of business efficiency it is not hard to appreciate that if the Davies business had been divided between a dozen firms the price to the consumer would have been much higher without any one firm making more than living profits.

TIME FOR COOL JUDGMENT.

THE long downward movement of the security markets has culminated in a slump which approaches a panic. In order to check liquidation minimum figures have been established on the Canadian exchanges and that they have provided a measure of protection under the stress of prevailing circumstances would seem to be evident from the continued decline in New York. That Wall Street will soon follow the example of the Canadian exchanges is the opinion of brokers here.

While the exercise of the minimums is to be regretted, particularly in view of the manner in which the action of the Montreal governors was taken—without warning being given—and while the interference with the free operation of trading is at all times a policy which may be open to criticism, the fact remains that the present slump is undoubtedly due to nervousness on the part of the public and the stemming of the tide of liquidation will undoubtedly bring benefits later to many of those who may now be desirous of realizing.

The debacle of selling appears to be the result of the influence on sentiment of the Italian rout, appreciation of the indications that the war is likely to be a long drawn out affair, liquidation to invest in government securities which are not subject to income tax and a general state of nervousness on the part of the investing public. Against this is the opinion of close students of the situation that many stocks are actually selling below their intrinsic value and that there must be a readjustment to higher levels with a return of confidence. We still believe that the present is a bad time for selling good investment stocks, especially where the owner is in a position to hold on until the readjustment takes place.

A MODERN MIRACLE—COMMERCIAL JAPAN

An Editorial from the New York *Sun.*

WHAT inspires wonder or admiration, because of some sudden transformation, is called a miracle. Things equally marvellous in their change, but slower in operation, win less attention. After the recent Japanese special mission, in which Emperor and Government, diplomacy, army and navy were represented, with rank, uniforms, decoration and medals, what is there besides?

Of the sixty-five million souls in the Empire of Japan, all, except the little folks in bright colors and a fractional number of adults, wear plain clothes. It is the men of this sort that are now among us. They represent trade, school, railways and the daily needs and interests not of the classes but of the masses. The entire population of the most progressive country of Asia, the mother continent, is interested in their quest. They are here for business and to seek the mutual advantage of Americans and Japanese, of producer and customer, of buyer and seller. They are ready to launch and man whole fleets on the Pacific to ply between our ports and their own.

For what purpose?

The heated dreams in the delirium of racial prejudice and artificially created ignorance conjure up armadas of steel warships, loaded with hostile invaders and yellow perils of all sorts. The reality is to seek easy routes between the ports of Demand and Supply. Theirs are not as the wind-borne and oar-driven boats, with their raven pilots, of our Norse ancestors, who sailed out to kill, burn and destroy. Their true emblem is rather the picture which every aspiring boy in old Japan put under his pillow on New Year's eve—the ship of good luck, on which the seven gods of happiness were passengers.

Cunning and tricky are the Japanese? Yes! Their knowledge and their practice of the necessity of hard work mixed with brains are almost uncanny. Indeed, in this they are quite equal to Yankees in what we call "shrewdness" and "enterprise." Even from nursery days their idea of a good time coming is embodied in the jolly patron of wealth, DAIKOKU. Fat and merry is he, as he bestrides his bags of grain and piles of gold coin. He holds in his right hand a hammer. With this he raps the brains of the dull fellows to hint that fortune comes only after hard knocks.

There is in this latest mission no trace of that literary fiction of "Orientalism," or "inscrutability," that some Occidentals attribute to all Asiatics. Their purpose suggests rather real Yankee wit and capacity. It is as well based on the fixed laws of reality in trade, finance and mutual good will of buyer and seller as an Amoskeag mill, or a Wall Street deal in shares, or the selling of a Liberty bond. Yet their slogan favors adaptability and alertness. They are plastic in response to new needs.

On this we can "bank"—that this voluntary mission in behalf of trade is in no whit inferior to that headed by ISHII. While dollars for Americans and yen for Japanese are the chief ends in view, this popular embassy recalls a miracle greater than diplomacy can show. Of other potent transformations making for human uplift this is the historic index. The cleansed skin in place of leprosy, the sound limb instead of palsy, sight for the blind, were tokens for the individual. Now, the loaves and fishes—food for the hungry—form the more appropriate symbol. To make trade honorable, to exalt the merchant, means mutual blessings for millions. That is what Japan has achieved.

For there are readers of *The Sun* who remember vividly the day when the Japan trader was despised. The Mikado's Empire of that era saw no chimney, railway, telegraph, free public school, parliament, unrestricted commerce, or fair play for the trader. Iron traditions of social oppression made the rule of life; for feudalism, like an unmelted glacier, protruded in Japan until 1871. Trade, finance, business, were degrading. In presence of his superiors, the merchant must crouch on all fours, kneel with head bowed, step out of his sandals and get down off his saddle, even of a pack horse. Before the processions of the feudal lords' windows must shut and the cry of the strident herald was "Down on your knees!" Socially, even the well to do merchant was but a swab, reckoned lower than farmer or mechanic.

The old situation explains the traditional reputation, but not the real character, of the Japanese trader of 1917. In perspective, the student of history understands why, even as late as in Tudor England, both chapman and lords of the steelyard, when outside their quarters and on the public highway, were fair game for the ruffian. A Shylock on the stage excited no surprise. Even to-day English business and nobility are perhaps further severed socially than in Japan. Moreover, the secrecy required in feudal society, with its three hundred jealous clans, having passed away, frankness is the law of trade.

Behold a miracle! It took place on the 14th of October, 1872. A cloudless day fitly opened the new era. The railroad was to be opened from Tokio to Yokohoma. There standing, yes, standing, in the presence of the Son of Heaven, the Emperor, were four merchants in plain garb. It nearly took one's breath away thus to see and hear. They received words of welcome from his Majesty. Face to face and upright these "beginners of a better day" uttered response of gratitude and loyalty. Nothing like that in Japan for 2,500 years. Only four years before, after his audience given to foreign envoys, the Shinto censors and censers in elaborate sacred ceremonies had made prolonged fumigation of the Mikado's illustrious person!

It were tedious to detail the sequel. The results are before our eyes. The first iron highway, once no longer than the man with the seven leagued boots could span at a stride, has become a network of national highways in steel. Telegraph and telephone wires outrival even the spiders of fairyland. The Emperor visits the merchant—both host and guest being in honor. The trader sits in Imperial council chambers and the halls of state. He wears decorations on his breast. The rill of commerce, once scarce sufficing for one thirsty bull or bear, such as Wall Street refreshes by thousands daily, has become a flood that fertilizes nations.

BUYING ALL WAR SUPPLIES FOR UNCLE SAM'S FORCES

Frank A. Scott, Who Formerly Manufactured Machine Tools, is Now Directing the Manufacture of the Implements of War.

THE policy that President Wilson adopted, of bringing in men of proven ability in business, has resulted in gathering around the Administration at Washington a group of very able men to direct what might be termed the business end of the war. These men are organizing the nation, directing and developing American resources toward the purposes of war and laying plans for putting behind their armies when they take the field the whole weight of American wealth and strength. One of the outstanding men in this group is Frank A. Scott, chairman of the War Industries Board, and Theodore Tiller gives an interesting sketch of him in Munsey's Magazine:—

One day in the year 1885 a twelve-year-old boy, who had to leave school and make his own way in the world on account of his father's death, applied for a job in a railroad freight office in Cleveland, Ohio.

"I'm afraid you won't do," said the chief. "We need a boy, but you're not tall enough to reach the letter-press."

"Well, couldn't I stand on a box?" suggested the young seeker of employment.

That day a box was added to the equipment of the freight office and the name of Frank A. Scott to the pay-roll.

It was this same Frank A. Scott, advanced to be manager of an important company manufacturing machine tools and instruments of precision, whom Secretary Baker summoned to Washington shortly after the declaration of war with Germany. After an interview with the Secretary of War, Mr. Scott returned to Cleveland and wrote two letters to his business associates. One was an offer of his resignation; the other a request for an indefinite leave of absence.

The heads of the company preferred to grant the latter. Consequently Mr. Scott is in Washington on indefinite leave, and he is not likely to clean off his desk and start for home until the war is over. After serving for a time as head of the Munitions Board of the Council of National Defense, he has undertaken still larger responsibilities as chairman of the War Industries Board, the central purchasing agency of the government—a body that will have to spend a good many billions of the nation's money.

The general nature of Mr. Scott's work can best be explained, perhaps, by quoting a statement which he made shortly after he went to Washington, and in which he spoke very frankly of the difficulties confronting the government in organizing the national forces for war.

"The United States has the greatest prescription in the world to fill, and is about to take it to a corner apothecary shop," was the way in which he candidly summed up the situation.

Systematic organization of our industrial resources, standardization of purchasing methods, and co-operation among all government agencies—these were the three great objects for which he saw that it was necessary to work.

How to Organize For Victory in War.

"Men, metal, and machinery are the three 'M's' that go far toward national ability to wage modern war successfully," he said. "The United States is rich in all three. Can we make them available in the right time and in the right way? We can answer that question in only one way. We face the problem, and we must find the answer. We must analyze our task, co-ordinate our efforts, standardize our needs, economize in our methods, and then produce, produce, produce.

"Our three million square miles of territory contain the greatest aggregate natural wealth on the globe. Our hundred millions of people are the most resourceful and energetic of any equal number on earth. Our scientists, workmen, and executives need yield first place to none. To assure victory, these resources of men and material must now be welded together and directed into channels that will carry a ceaseless flow of fighting men and fighting material toward the battle-front.

"To-day, when we speak of munitions, we mean much more than guns and powder. The munitions of a modern army are the entire resources of the nation made available for its fighting men."

A man of infinite tact and extraordinary executive ability was needed at the head of the War Industries Board, and Washington believes that Mr. Scott will fill the bill. He has started off well, using thorough business experience and his knowledge of human nature, and taking a common-sense view of the difficulties, annoyances, and jealousies that inevitably arise when a great national emergency demands radical changes in governmental methods.

The Central Purchasing Agency.

The creation of the War Industries Board to a certain extent steps upon the toes of other purchasing agencies of the government; but it consolidates responsibility in the award of contracts, promises to still criticisms heard earlier in the war, and will soon demonstrate whether there is to be real system and co-ordination in the expenditure of the billions of dollars voted by Congress.

There have been published reports of rumblings of discontent in the peace-time purchasing departments of the army and navy; and there might easily have been justification for them had men of less ability been selected for the War Industries Board. Mr. Scott, since he was first appointed to the Munitions Board, has been winning over critical military men—men naturally inclined to believe the war should be conducted wholly by the army, and that civilians are poor managers of army business. Accustomed to dealing with men of all classes, he has been notably successful in keeping down friction, in co-ordinating the work of the Council of National Defense and the army bureaus, and in bridging the chasm between the military and civilian way of doing things and thinking about things.

It is no new story that the purchasing system of the United States government, through many years of peace, has been on far from an ideal footing. Departments using the same material have purchased through different agencies and at different prices. They have frequently bid against one another. This is what the late Senator Aldrich had in mind when he said that he could save the government three hundred million dollars a year by conducting its business as any good merchant would conduct his establishment.

When Secretary Baker called Mr. Scott to Washington, he knew that different officers of his department were out in the market bidding against one another for supplies. He knew that they were competing with official agents of the Navy Department, who had urgent instructions to get similar goods. The result, of course, was a colossal and utterly needless waste of the government's money.

The Shipping Board row, fortunately ended since then, furnished an interesting side-light upon conditions of that sort. For the emergency fleet, General Goethals was about to purchase steel at ninety-five dollars. He said haste was the main consideration. Secretary Daniels, of the navy, stated that he was buying steel at about two-thirds of the price which it was proposed to pay for the construction of the government's merchant fleet.

This illustrates the helplessness of a government if it does not quickly mobilize its resources and standardize its methods when war comes. The controversy over coal prices, with one official department declaring a certain rate reasonable and another department declaring it unreasonable, is but another instance of the necessity for the creation of a central and authoritative War Industries Board.

Not Strictly an Official Body.

It would be noted here that, strictly speaking, the status of the War Industries Board is to a certain extent unofficial. It has no authority in law to sign, seal, and deliver a contract without the final approval of a Cabinet officer. For example, the Secretary of War must sign the contracts for the purchase for his department, and must approve the expenditure of all appropriations voted for it. To all intents and purposes, nevertheless, the War Industries Board determines who shall get contracts, and at what prices.

The War Industries Board deals with the selling public. It takes whatever steps it may deem necessary to promote production and to expand the business of supplying the munitions and materials of war. It finds the source of supply, negotiates options, and agrees upon prices for the big and little things needed by our armed forces. It prevents the government departments from bidding against one another, and makes effective a co-ordinated purchasing system—a system such as Frank Scott would use in his business in Cleveland, but which, until now, Uncle Sam has never undertaken.

Contracts approved by Chairman Scott and his board, and sent to the proper officials for routine signature, will be the real contracts in this great war; for when a contract gets Mr. Scott's "O.K.," the trade is practically closed.

"In the work of assisting the War and Navy Departments in securing munitions, the General Munitions Board, whose functions the new War Industries Board has taken over, has performed yeoman service in developing new sources of supply for gun-forgings and other essentials to the manufacture of artillery," says a statement issued by the Council of National Defense. "The efforts of the board have not been confined to guns and ammunition, however. Almost all kinds of supplies come under its jurisdiction, including carriages, timbers, caissons, forge-wagons, military vehicles, steel helmets, surgical supplies, optical glass, gages, tools, and dies of many kinds. Besides this, all kinds of questions as to price, priority of shipment, and methods of expediting production have been referred to the board for advice. The board has also served as a clearing-house for innumerable related problems coming both from the departments and from the council's committees on munitions, raw materials, and supplies."

Scott's Personality and Career.

Frank A. Scott is a broad-shouldered rather stockily built man, who has a way of looking other men straight in the eyes, speaking frankly on all subjects, and keeping his promises to the letter. He has an abundance of hair, which he parts near the middle, candid gray eyes, and an unassuming manner. He is a democratic fellow in a big place.

Scott is a man to whom his associates and subordinates find it easy to be loyal. He is always willing to give credit to some one else's suggestion, and to express appreciation of a good piece of work. He makes a systematic practice of delegating authority so as to stimulate the initiative of the men about him.

He was born in Cleveland forty-four years ago last March, and was attending the public schools there when, as has already been told, his father's death compelled him to go to work for a living. He kept up his studies at night, however, under John H. Dynes, of the Western Reserve University; and he has always been a great reader.

From the railroad freight office where his career began his upward progress was for a good many years steady but uneventful. With his remarkable memory and natural aptitude for figures he gained a thorough knowledge of the freight business, and when the Cleveland Chamber of Commerce created a committee on transportation, the position of assistant secretary and freight-rate expert was offered to him. He accepted, and though he was only twenty-two years old, he was speedily promoted to the more important post of secretary of the Chamber of Commerce.

Scott was now brought into almost daily contact with the leading men of the big city on Lake Erie. Three of them, in particular, watched the young secretary as he broadened. One was Colonel J. J. Sullivan, the millionaire Cleveland banker. He took a fancy to Scott, not only because he seemed to be a capable fellow, who would bear watching, but also, according to current report in Cleveland, because he didn't smoke cigarettes—a habit which Colonel Sullivan specially detested—didn't use profane language, and didn't develop an enlarged head as he rose in the world.

Colonel Sullivan—and some others, too—made note of the fact that Scott thought of things for the betterment of Cleveland and for the benefit of the Chamber of Commerce. They saw that he was a conscientious booster instead of a knocker, and that he had a talent for keeping the city and its great industries in the public eye.

So Colonel Sullivan engaged him as secretary and treasurer of the Superior Savings and Trust Company, with which institution he remained for three years. During that period he also served as receiver for the Municipal Traction Company. He had now set his foot firmly upon the threshold of the world of larger business, and it was merely a question of what upward step he would next take.

Among the men who had an eye on Scott's progress were Worcester R. Warner and Ambrose Swasey, heads of a corporation manufacturing machine-tools, telescopes, range-finders, and similar instruments. In 1909 they invited Scott to become secretary and treasurer of their company. He remained with them until he entered the service of Uncle Sam, having meanwhile become vice-president of the concern and general manager of its business. In this capacity he has traveled widely, has made contracts in all parts of the world, and has acquired a store of expert information that is of material aid in his present work.

A Student of Military History.

Another thing that has helped to equip Mr. Scott for his position is his remarkable knowledge of military history. The great wars of the past have always been his favorite study; and he has another kindred hobby—the collection of firearms of all dates and types. These interests of his have undoubtedly made it easier and pleasanter for him to work with army and navy officers, who necessarily have their part in the operations of the War Industries Board.

"He probably knows more about the Civil War than any man in this generation," a friend of Mr. Scott recently said. "He can name every corps commander in the Union army, east and west, at a given time. He has stored away accurate information regarding the movements of the armies, all the offensive and defensive campaigns, and the particular stroke that won or lost a battle. His study of the Spanish-American War has been just as painstaking. In fact, though he is not called a historian, I doubt if there is a man in the country to-day better informed on the military history and progress of this nation."

He is a veritable encyclopedia of such facts as this, for instance—that in the battle of Gettysburg Meade's army had three hundred and ten guns, which fired a total of approximately thirty-three thousand rounds during the three days of the fight. British officers with whom he talked the other day told him that three hundred and ten modern guns would fire an equal number of shells within a comparatively few minutes.

PERSONAL

MAHLON K. COWAN, K.C., whose death took place this week in Toronto, was solicitor of the Grand Trunk Railway from 1904 to 1910. He was one of the leading members of the Ontario Bar and regarded as one of the most able legal authorities in Canada. He was a member of the House of Commons from 1896 to 1904.

FLIGHT LIEUT. HUGH R. AIRD, R.N., prisoner of war in Turkish hands, is a son of Sir John Aird, general manager of the Canadian Bank of Commerce. The young aviator, who has a brother in the sister air service, has spent a considerable time on service in the Eastern Mediterranean. It is probable that the British machine, with crew of three, reported to have been brought down in the Gulf of Saros, north of the Gallipoli Peninsula, was that of the Toronto aviator. Lieut. Aird was in London a month ago, on his return from a visit to his parents in Canada. He has been in the Naval Air Service for over two years, having enlisted shortly after the outbreak of war.

SILAS R. PARSONS, who contributes a leading article to the current issue of THE FINANCIAL POST on the need for a continuation of Canada's protective policy, is prominent in Canadian business and industrial circles, being president of the Canadian Manufacturers' Association and of the British American Oil Company. He is also chairman of the Ontario Board of Directors, Canadian Fire Insurance Company. He was for a number of years in the stationery business in Winnipeg, having gone West from Toronto, but disposed of his interests in 1900 and returning to the Queen City later became one of the founders of the company of which he is now president.

ROBERT BICKERDIKE, M.P. for the St. Lawrence division of Montreal, who has refused to become a candidate for a further term, is prominent in business and financial circles in the Eastern metropolis. He is a director of the Canada Life Assurance Co., the Western Assurance Co., The British America Insurance Co., the Imperial Guarantee and Accident Insurance Co., the Mount Royal Investment Co., and the Canadian Marconi Co. He is also vice-president of the Bank of Hochelaga. Mr. Bickerdike was known at one time as the largest live stock exporter in Canada but for some years he has devoted his energies to finance, underwriting and insurance.

SIR AUGUSTUS NANTON, who was selected as fusion candidate for the Federal House at the joint Liberal-Conservative convention at Brandon this week—receiving a larger vote than Hon. T. A. Crerar—is senior Winnipeg partner of the investment brokerage and financial firm of Osler, Hammond and Nanton. He has extensive investment interests in Canadian industrial and financial concerns. He is vice-president of the Great-West Life Assurance Co., the Osler and Nanton Trust Co., and the Winnipeg Electric Railway, director and chairman, Canadian Committee, Hudson's Bay Co., Canadian director, North of Scotland Canadian Mortgage Co., and director, Dominion Bank, Northern Trust Co., Manitoba Bridge and Iron Works, Cockshutt Plow Co., and Ogilvie Milling Co. Born in Toronto fifty-seven years ago, a son of Augustus Nanton, he went West to Winnipeg in 1883 to open an office for the firm of which he is now a member in that city.

THE ACUTE PROBLEM OF RISING PRICES

Shortage May Become Such That Government Will be Forced to Take Drastic Action.

Written for THE FINANCIAL POST by Agnes C. Laut.

WASHINGTON.—When the price of milk was raised to 14 and 15 cents a quart in the eastern cities of the States—the price paid the farmer is 6 and 7 cents—the consumption of milk fell off in New York City alone 800,000 quarts a day out of a daily sale of two or three millions quarts. That is, 800,000 East Side families can no longer afford milk. The situation is worse as to coal. Thousands of families have deferred ordering their coal for the winter, hoping that the fixed prices of Government regulation would reduce the cost. The cost is to-day $1.50 a ton higher than last year, and what with fixed prices by the Government and demands for increased wages by the miners many small coal mines have closed down completely, and the shortage of coal is acute and real. Thousands of city dwellers have not laid in their yearly supply of coal, and cannot now get it at any price. Garfield, the price regulator, declares he has found in Cleveland a million tons of concealed coal. To make his discovery complete he should have added that this stored coal is being held in reserve, not by the operators to push up prices, but by the big industrial operators, who need coal for war operations in manufacturing.

Prices Going Higher

At time of writing the prospects are: Meat, 50 cents a pound by Christmas; eggs, $1 a dozen; milk, 15 cents a quart; coal, $12 a ton; wood, $12 a cord; sugar, not enough to go round at any price. People simply cannot pay these prices, and industrial unrest is becoming a menace, from which I see no way out but one, and that is the way the Government has taken in the case of the steamships—Government operation. I may say—and I am sorry to set it down—that on the first dip of the thermometer to winter weather I look to see food riots and bloodshed in the streets of every big city in the Eastern States. Please remember that, altogether apart from the war, big men have been predicting these overturning convulsions to our lopsided civilization for the last twenty years. The Government is aware of conditions and is deperately trying to avert industrial warfare likely to come from privations. So far, Government efforts have aimed only at conciliation, but if prices ascend a few more notches, conciliation will have to become intervention; and the Government knows it. The big rail operators say frankly that if the Government regulates rates and doubles traffic, then the Government is welcome to come in quickly and assume operation of the country's railroads. Likewise of food! If private distributors cannot place milk in the consumer's hands at less than 15 cents a quart, meat at less than 50 cents a pound, coal at less than $12 a ton, and wood at less than $12 a cord—the dairy interests and meat packers and coal and wood operators will be forced to call on Government distribution during the period of the war.

Up to Government?

The packers have already requested the Government so to act. The coal operators with strikes impending would welcome Government operation during the war, and while the milk companies have not yet asked Government distribution, it may be said they are nearer to it this week than at any time since the struggle began between farm producer and city seller. The farmer cannot reduce prices and stay in business. If he reduces prices—as Hoover this week implored the dairymen to do—he must kill his cows and go out of business—which would only accentuate the shortage of food.

There is only one way out—as I have indicated in former POST articles—if the Government fixes prices, it must fix wages; and if it fixes wages, it must operate workers. Whether this be the thin edge of socialism, or paternalism, we are up against it for this winter, and within two months we shall see one of two things—price fixing abolished as a labyrinthine fallacy, or Government distribution of all food products. These are not opinions. They are facts in transit before our very eyes, eclipsing all that we have known of former economic theories.

DIVIDENDS DECLARED.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Saturday, the FIRST DAY OF DECEMBER next, to Shareholders of record of 31st October, 1917.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th October, 1917.

The Canadian Bank of Commerce

DIVIDEND No. 123.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 30th November next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December, 1917. The Transfer Books of the Bank will be closed from the 16th to the 30th of November next, both days inclusive.

By order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th October, 1917.

The Royal Bank of Canada

DIVIDEND No. 121

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after SATURDAY the 1ST DAY OF DECEMBER next, to shareholders of record of 15th November.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., October 16, 1917

Bank of Hamilton

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Three per cent. (twelve per cent. per annum) on the paid-up capital of the Bank, for the quarter ending 30th November, has this day been declared, and that the same will be payable at the Bank and its branches on 1st December next.

The Transfer Books will be closed from the 23rd to 30th November, both days inclusive.

By order of the Board.
J. P. BELL,
General Manager.

Hamilton, 22nd October, 1917.

Canada Cement Co.

LIMITED

PREFERENCE SHAREHOLDERS

DIVIDEND No. 31

NOTICE is hereby given that a dividend of 1¾% for the three months ending September 30th, 1917, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of November next, to Preference shareholders of record at the close of business, October 31st, 1917, and that the Transfer Books of the company will be closed from November 1st to 10th, inclusive.

H. L. DOBLE,
Secretary.

Montreal, October 26th, 1917.

We have small lots of the following

BONDS

and offer them at attractive prices:

Laurentide Power Bonds
Cedars Rapids Mfg. & Power Bonds
Dominion Iron & Steel Bonds
Steel Company of Canada Bonds
Riordon Pulp & Paper Bonds

Particulars on Request

ROYAL SECURITIES CORPORATION, Limited

164 St. James Street
MONTREAL

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

SPANISH RIVER.

Inquirer.—"What is your opinion as to the present position of Spanish River Preferred and Ontario Pulp bonds?"

In our opinion it is simply a case of exercising patience with the Spanish River Pulp & Paper Mills. The company got into very deep water a few years ago, since when they have been doing their best to climb out. The last annual report, covering the year ended June 30 last, contained encouraging news, for it showed that the company was able to cut down the deficiency account from $1,335,399 to $500,000 and still have a large balance to the good. If profits continue on anything like the scale of last year, it will not be long before holders of preferred shares will begin to reap the reward of their patience. There is no doubt that the company is now in good hands and is being ably managed.

The foregoing applies with even more force to the bonds of the Ontario Pulp & Paper Company. These bonds, of course, rank as first mortgage bonds of the Spanish River Pulp & Paper Mills. Interest is now being paid on them regularly, while deferred interest will be met in or before 1922. There would appear to be very good reason for believing, in view of the splendid earnings of the company, that holders will be profiting from the arrangement, whereby they are entitled pro rata to ten per cent. of the profits from time to time available for dividends.

BROMPTON PULP.

Western Investor—"In view of the low price of Brompton Pulp & Paper Company shares, is there any fear that the dividend will be passed?"

You need be under no apprehension about the ability of the company to maintain its dividend, and, as regards the present low price of the stock, that is quite in line with the action of other pulp and paper stocks, even the oldest established. A director and large shareholder of the company gives THE FINANCIAL POST the following authoritative information:

"I am somewhat surprised to see the low price of this stock as this company is one of the companies that are in good financial position and I do not know of any company that is under better management. We own large tracts of freehold lands and timber limits that we can draw from for the supply of our mills for a number of years to come and own our own water powers, three of which are developed and two undeveloped. We would have developed one of them this year had it not been for profit tax legislation at Ottawa. Another thing is that this is the first year for ten years that there were no news mills built in this country and therefore our company should be one of those able to continue paying the small dividend of 5% on the common stock."

C.N.R. DEBENTURE STOCK.

W.J., Marston.—Would be obliged if you would favor me with information as to the transfer of the Canadian Northern Railway Company to the Dominion Government and its bearing on the 5 per cent. income charge convertible debenture stock. This stock bears conversion rights to be exchanged into common stock at the option of the holder within the next year or two. What is the latest quotation for the stock in Toronto? Do you think it likely that the company will meet this year's interest?

The standing of the C.N.R. debenture stock appears to be somewhat uncertain in view of the negotiations pending between the company and the Dominion Government. From enquiries we have made, we think it altogether likely that the government will make some sort of proposition or statement to the holders of the debenture stock in connection with the negotiations for the common stock. This would appear to be necessary in view of conversion rights of holders of the former. The latter would, of course, have the right to exchange for the common stock and sell to the government should the price offered for the common stock be sufficiently attractive. This, however, is not likely to be the case. Just whether the government will endeavor to discharge the debenture stock or whether some assurance will be given to the holders as to what they may expect in the future, remains to be seen. There have been no sales of the stock recently and it is difficult to state a market price although we have heard that 40 to 50 was being quoted in London some time ago. So far as this year's interest is concerned it has not been earned and it is very unlikely, therefore, that it will be paid.

AS OTHERS SEE US

PUBLIC OPINION AND "THE MOB."

Toronto *Daily Star*.

"The Toronto *Star* says that there is only one newspaper in Canada which is not condemning the Food Controller. To us the surprise is not that there are not more, but that there should be even one 'newspaper' courageous enough to face the wrath of public opinion, to express sensible economic thought. Newspapers generally go with the mob—and the mob is generally wrong."—FINANCIAL POST.

The paper we referred to has expressed no "sensible economic thought" on the subject of food control, nor has it faced any particular wrath anywhere, so far as we know. There is a note of sadness in the above paragraph from the FINANCIAL POST, as if it feels pretty lonesome sometimes in its lofty and superior place looking far down to the low plane on which moves the daily press and the common mob of mankind. Whether the newspapers generally go with the mob or the mob with the newspapers the POST cannot quite make out from the distance from which it is viewing the scene, but anyway it sees them together and that's all it wants to know about either of them. It says the mob is generally wrong. What it means by "the mob" is public opinion going the way the POST does not want it to go. As the current of public opinion is generally going against the POST or the POST against the current of public opinion, one or other is wrong, and the POST, in deciding which, finds that it is public opinion that is wrong and that it is simply mob opinion,

CANADA'S CREDIT.

Calgary *Fair Play*.

Why should Canada be accorded differential treatment in the money markets of the world to finance our part in the war? While Great Britain, France and other allied countries have already obtained nearly a billion and a half dollars from the United States government at 3½ per cent., Canada is compelled to float her last loan of $100,000,000 privately in New York at almost a prohibitive price, approximating 8 per cent. when agency and all other charges are added. This in the face of the fact that Canada's other loans are in greater demand and are selling at a higher price than Anglo-French bonds. Agnes C. Laut, writing to THE FINANCIAL POST from Washington, reports the average man on the American side asking these questions: "France is one of the allies and Great Britain guaranteed her loan. Canada is one of the allies—why did the Mother Country not guarantee her loan and go straight to McAdoo for it at 3 and 3½ per cent. instead of 6.7 per cent., which is practically what Canada is now offering?" The other allies are getting money, since the United States went in at 3, 3½ per cent. Why has Canada acted independently of them? May we not put this question directly up to our Finance Minister? The impression is steadily growing that the affiliations of our present Minister of Finance are altogether too close with the "Big Interests" to do unprejudiced service for Canada, and the present last hour dip into the Treasury for the C.N.R. is not doing much to dissipate this opinion.

"LETTING THE CAT OUT."

St. Catharines *Journal*.

The *Journal* reproduces an article from the FINANCIAL POST of Toronto which brings out one or two facts on which we look with some suspicion, knowing the power which banking heads and directors exercise over Governments. It has to do with the question of conscription and exemption and reveals that the banking interests are doing just what the spirit of the Military Service Act requires that they should not do.

Further, they are doing what will arouse indignation among the other classes of people who do not happen to be members of Montreal and Toronto Clubs, financial concerns, Governments, etc., where wealth and influence get away with a good many things.

TORONTO'S LOSS, HAMILTON'S GAIN.

Hamilton *Times*.

THE FINANCIAL POST of Canada makes the assertion that Toronto, instead of attracting, drives industries away from itself—manufacturers being treated as semi-criminals, as men who owe their progress to dishonest methods. It declares that "About a quarter of a century ago, when the late Senator Jaffray and some of his friends desired to establish great steel works in that district, the *Telegram* and its friends instituted a campaign which was so offensive that the promoters abandoned the Toronto scheme, and established the plant in more congenial surroundings at Hamilton, Hamilton has now not only the big Steel Corporation of Canada, but many industries that have sprung up around it; while Toronto has its vacant marsh land in Ashbridge's Bay, Toronto has spent millions filling in the land. The Steel Co., and its subsidiaries would have done it for nothing." To-day THE POST declares that it might have had an $8,000,000 United States industry, but the Torontonian interested in the scheme would not take it up because of the attitude of the Toronto press towards the big interests.

As the *Star* and *Globe* are blamed for creating this state of feeling in Toronto we would like to hear from them as to the truth of THE POST'S statements. The *Telegram* used to be the sinner, but it seems to have reformed of late.

TRIBUTE TO CARVELL.

Fredericton *Mail*.

THE FINANCIAL POST of Canada, a non-political paper, in an article on the union government, pays Hon. Mr. Carvell the following tribute:

"Of the new appointees the majority are politicians pure and simple. Some of them, however, are unquestionably able men. F. B. Carvell is probably the strongest of the lot. He is a lawyer and an extremely adroit politician, but back of that he has abilities of a rare order. This has been very apparent to all who follow the proceedings in the House closely. Newspaper reports of the debates deal almost exclusively with the more spectacular phase and so much of the work that Carvell does is not known. He is continually probing, asking pertinent questions, raising important points, making valuable suggestions. Carvell is a sane, constructive thinker not bound by precedent, and capable of any measures no matter haw radical."

Hon. Mr. Carvell is undoubtedly one of Canada's most talented public men and Sir Robert Borden is certainly to be commended for the good judgment he displayed in selecting him for one of the most important portfolios in the union cabinet. He is well deserving of the praise which THE FINANCIAL POST bestows upon him.

CANADIAN PACIFIC

THE FINEST HUNTING GROUNDS IN AMERICA
ARE CONVENIENTLY REACHED
via
CANADIAN PACIFIC RAILWAY

Moose Bear Caribou
Red Deer and Small Game
ARE QUITE PLENTIFUL

Particulars from Canadian Pacific Ticket Agents or W. B. HOWARD,
District Passenger Agent, Toronto

Working Capital

¶ That all-important factor in a company's position.

¶ As an investor or trader in Canadian listed stocks you should know the ratio of current assets to liabilities and the ratio of net working capital to the stock outstanding.

¶ These items with many others equally interesting are given in our new edition "Analysis of Canadian Stocks."

¶ Sent free on request.

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John Street, Montreal
Central Chambers, Ottawa

The UNION BANK OF AUSTRALIA, Ltd.

Established 1837. Incorporated 1880.

CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,980,000 Together £3,980,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve £7,980,000

Head Office: 71, CORNHILL, LONDON, E.C.

DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.

Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.

The Bank has [illegible] Branches in VICTORIA, [illegible] in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 29 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

War Risks

Are you one of the hundreds of business men in Canada who are working at high pressure and bearing extra cares because of war conditions? If so, should you not protect your family or your business by additional Life Insurance.

The war risks are not all overseas. Every few days the sudden passing away of some prominent business man gives evidence of the tension and anxiety of the men who are bearing the added burdens at home.

The Security Life Insurance Company of Canada, which issues only "all guaranteed policies," is issuing direct to insurers a special protection policy intended to serve the present war-time need. At age 35 the annual premium for $5,000 is only $52.00.

"Just my measure," said a well-known business man of this plan. He took the limit.

Write, stating age last birthday, for full particulars.

The Security Life Insurance Company of Canada

Head Office, KENT BUILDING, - TORONTO

President—Brig.-Gen. Sir Henry M. Pellatt, C.V.O.
1st Vice-Pres. and General Manager
J. O. McCarthy, Ex-Controller, City of Toronto.

Vice-Presidents
Victor Morin, LL.D.
Notary Public, Montreal
W. W. Hiltz, Builder, Toronto
(Ex-Chairman Board of Education)
W. O. McTaggart, Toronto
(Ex-Chairman Board of Education)

Directors
Mark Workman, Montreal
(Pres. Dominion Seel Corporation)
B. F. Ackerman, Peterboro
(Manufacturer)
J. P. Laporte, M.D.
Joliette, P.Q.
W. H. Elliott, Toronto
(Inspector Public Schools)

Medical Referee
R. J. Wilson, M.D.
Secretary and Actuary
John P. P. Oliver

Unusual conditions
afford the investor
unusual opportunities.

A. E. AMES & CO.
Established 1889
UNION BANK BUILDING, TORONTO
MONTREAL NEW YORK

INVESTMENT
SUGGESTIONS
ON REQUEST.

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK
CERTIFICATES, CHEQUES AND
OTHER MONETARY DOCUMENTS.
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
HEAD OFFICE and WORKS
OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

H. O'HARA & CO.
Members Toronto Stock Exchange

Stocks and Bonds dealt in on all Exchanges. Municipal, School District, Rural Telephone, etc., Bonds always on hand for investment. Write for particulars and list of offerings.

Royal Bank Building, Toronto

THORNTON DAVIDSON & CO.
Members Montreal Stock Exchange
STOCK AND BOND BROKERS BONDS FOR INVESTMENT
Orders Executed On All Markets
Rooms 420-421-422 Transportation Building, Montreal, Quebec.

A. H. MARTENS & COMPANY
(Members Toronto Stock Exchange)
Dealers in
Government, Municipal and Corporation Bonds
Write for list with full particulars.
ROYAL BANK BUILDING, TORONTO, CANADA
61 Broadway, New York, N.Y. Dime Bank Bldg. Detroit, Mich. Harris Trust Bldg Chicago, Ill.

Investors' Information Bureau

Any subscriber to The Post may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail.

This service is free to subscribers, but inquirers should enclose stamp for reply.

Tested by Time, Panic and War

Mortgage Corporation Debentures do not fluctuate in value. Neither time, panic nor war affect them.

Stocks drop. Some disappear altogether. But through all the excitement and strife of war, Standard Reliance Debentures have stood the test for security of principal and permanency of interest.

A $100 Standard Reliance Mortgage Debenture is still worth a $100 and Pays 5% interest in cash on the day it is due, at your local bank.

Mortgage Corporation Debentures

The debentures are issued in amounts of $100 and upwards, and are repayable at a fixed period to suit your convenience.

Thousands of people have invested their savings in these debentures without the loss of one dollar invested.

Write to-day for our interesting booklet about "PROFITS FROM SAVINGS."

STANDARD RELIANCE
MORTGAGE CORPORATION
Head Office 82-88 King St. E. Toronto

Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG

NEWS OF THE BOND MARKETS

WAR LOAN PLANS WILL WORK UP TO GRAND CLIMAX

Much Interesting Information is Being Held Back for the Present.

SPRING SCHEME ON PUBLIC

Quotas Allocated To Montreal and Toronto Are Seventy-five Millions Each, With Other Cities in Proportion.

As the date for the launching of the Victory Loan approaches,—November 12,—efforts of the organizers towards completing their plans are being redoubled. Reports from all over the country indicate that local organizations are being rapidly whipped into shape, while at headquarters staffs are all very busy. There have been no marked changes in arrangements, everything developing along the lines laid down at the outset.

Terms of the Loan.

The only information so far lacking regarding the terms on which the loan will be issued concerns the time of payment. The amount will unquestionably be $150,000,000, with the expectation that at least double that sum will be subscribed. The maturities will presumably be five, ten and twenty years and the rate of interest 5½%. It is understood that the bonds will be dated December 1, 1917, and that most liberal terms will be allowed in the way of instalments, these being even more favorable than in the case of the first three loans and extending to five months. This is quite as it should be, as it will allow the average investor to take more than he would otherwise be able to do, while emphasizing the principle that the bonds should be paid for our of savings.

Big Quotas for Cities.

As a basis on which to work, the loan has been apportioned out to the various cities, districts and counties so that workers will have a definite objective before them. Thus, on the understanding that $300,000,000 will be raised, the city of Montreal and the city of Toronto have each been allotted $75,000,000, or half the loan between them. Other cities have been given proportionate objectives. There will naturally be keen rivalry between places which have been allowed similar totals, while civic pride will help to swell the amounts. The same idea was applied in the Liberty Loan campaign in the United States with excellent results and it should prove an incentive to effective work in Canada.

Toronto's Organization.

As publicity is to play a most important part in the campaign, the Toronto organization is going strong on that feature. A committee with a thousand members has been formed and this in turn has been broken up into smaller committees, each in charge of some particular phase of publicity work. One sub-committee for instance is to deal with newspaper advertising. Every space user in the Toronto press will be appealed to, to donate space and this will be used either by the advertiser himself or will be pooled and used by a number of advertisers jointly. Besides regular lines of publicity, special "stunts" will be employed and these will be cumulative in effect, culminating in a grand effort during the third and final week of the campaign.

Manufacturers Organizing.

At the office of the Toronto Branch of the Canadian Manufacturers' Association a beginning has been made in getting the manufacturers lined up for the support of the loan among their employees. Committees have been at work getting out circulars and a meeting with Sir Thomas White is scheduled for the early part of next week, when general plans will be discussed. The proposal is, if possible, to have a committee in each plant who will be responsible for a thorough canvass of all the hands. If the assistance of outsiders is needed this will be given on application. There will also be a supervising committee of the manufacturers themselves who will see that each plant is thoroughly canvassed, either by members of the inside committee or by outside salesmen. Manufacturers will be urged to put into operation schemes for assisting their employees to subscribe.

The Quebec Organization.

Over 1,500 canvassers have been arranged for by the Quebec Province War Loan Committee and these will cover the province, county by county, visiting not only towns and villages but country houses. Organization has been effected in almost every county, as far as the Gulf, and the response to the appeal for workers has been most generous.

While the terms of the loan have not been announced, preparations are being made on the basis of bonds of four denominations, $50, $100, $500 and $1,000, at 5½ per cent. to fall due in varying terms, to suit the purchaser, of 5, 10 and 20 years.

The plan of getting the help of employers to underwrite bonds for employes will be carried out in every centre of the province.

A CLINCHING ARGUMENT.

Relation of Diminished Saving Power To War Bond Investment.

Every argument that has been advanced during the month in United States in favor of participation in the Liberty Loan will apply in Canada next month in connection with the Victory Loan. Thus, the following editorial remarks of the New York *Sun* in reply to a correspondent will receive the approval of all those who are giving careful thought to the matter. This correspondent expressed the opinion that "the greatest difficulty in the way of the success of the Liberty Loan is not lack of patriotism but the decreasing purchasing power of any particular sum of money. One hundred dollars will buy only a fraction of the commodities it bought years ago."

To this the *Sun* replies as follows:

"There is one commodity of which the dollar buys more than ever. One hundred dollars invested in the Liberty Loan will buy a $100 bond of the United States of America. There have been plenty of times in recent years when it would not; there will be plenty in the years to come.

"Our friend wasn't thinking of that, perhaps? He had in mind the increasing cost of everything operating to reduce the available margin of his salary, maybe. Well, difficult as the salaried man finds his present position in the face of rising prices, his diminished saving power is simply a conclusive argument in favor of purchasing Liberty bonds.

"What he saves now must be securely placed, must be so placed as to be of greatest service to his country, and must return him the highest interest procurable with absolute and unquestioned safety of principal. His savings must be instantly at his command; he must be able to get hold of them in cash at any time; he must be able to use them up to the hilt as collateral should that be necessary.

"Instinct drives the man who sees his saving power lessened despite his most energetic efforts to invest every red cent he does save with the greatest care and pains. In other times, with the saving margin of his income expanding he might venture a little in the hope of reaping exceptional profits. Then if he lost it wouldn't matter seriously. Now he must not lose!

"Liberty bonds are the investment he will pick."

HULL SELLS BONDS.

Has Placed an Issue With a Montreal Brokerage Firm.

The city of Hull, P.Q., has recently placed with the Montreal brokerage firm of Versailles, Vidricaire & Boulais, Limited, an issue of $179,000, 6 per cent., local improvement debentures, these being dated May 1, 1917, and maturing Nov. 1, 1922. The sale price was 95.23. The sale of the debentures will allow the city to go ahead with contracts for much-needed local improvements, which had to be shut down two months ago owing to lack of finances. Meanwhile, the purchasers will not attempt to sell the bonds until the war loan is out of the way.

NOTES ARE WEAK.

Canadian Issues in New York Sag During Liberty Loan Campaign.

Referring to the weakness of Dominion of Canada notes in the United States, the Financial World says, "Although the practically unlimited developed and undeveloped resources of the great Dominion of Canada are back of her obligations the stressful times of war have forced Dominion of Canada notes down to a level where they will yield around 9 per cent. The Dominion of Canada 5's of August, 1919, having about 22 months yet to run, were sold this week at 93½, or a little better than 9 per cent. basis. The notes were sold broadcast over the United States in August and brought 98½. Bankers and dealers regard the notes at present prices as a bargain, as they have strong faith in the strength of the Dominion and its future. There are $100,000,000 of these notes and their present low price is credited only to the temporary conditions created by the concentration of interest in the Liberty Loan and the growing burdens of the war."

The Department of Labor is taking a labor census in Porto Rico, and it is planned to bring surplus Porto Rican labor here to relieve the shortage in the United States.

EXCHANGES MONOPOLIZED BY WAR BONDS

Other Bond Issues Are Dealt in in Decreasing Numbers.

87% OF THE BUSINESS

Figures for the Montreal Exchange Show the Changing Character of the Transactions in Bonds.

It is not necessary to go past the records of bond sales at the present time to find a sufficient explanation for the heaviness that has characterized many a high grade security in the last few weeks. On the Montreal Exchange for the first nine months of the year transactions in bonds amounted to $14,819,900, larger than any twelve months' record hitherto, the nearest approach being last year. In the year 1913 the total was a little over $6,000,000.

War bonds are, of course, responsible for the great bulk of this business. Excluding war issues, the average to-day on the Montreal Exchange is less than half the average of a normal year. Including the war bonds, the present average is three times the normal. As was to be expected, the figures bear out the daily impression that war bonds are superseding nearly all other issues. During 1916 war bonds amounted to 67 per cent. of the total; this year only 13 per cent. were sales of other bond issues.

Drive Against Ordinary Security.

Large as are the daily transactions they represent only a small percentage of the transfer of funds that is going on. Not a cent of the original subscriptions to the bonds is taken into account in these sales; these comprise merely the movements of floating lots, some of them "underwritten" by the brokers during the original offerings. Nor do they imply the sale of other securities that was necessary in order to invest in the bonds when they were first issued by the Government. The purchase of war bonds works out as a two-fold drive against the ordinary security: it throws these securities on the market and at the same time removes support by diverting money into the channel of bonds. The result is that there is a readjustment in the prices of securities whose comparative value as an investment from an interest standpoint has been lowered by the rise in the bond interest payments, and thus tend to find a lower level. There they would remain naturally until they became more attractive through an increase in the dividends they bore, or until governments ceased borrowing for war purposes and the high priced bonds already in circulation became absorbed and were no longer available for the new-made capital that awaited investment.

The records of the Montreal Exchange show the following sales of bonds, listed and unlisted, for the years, 1913, the last pre-war period, 1916, and the first nine months of the present year:

	Total	War Bonds
1913 (12 mos.) ...	$6,341,845	....
1916 (12 mos.) ...	14,359,000	$9,575,200
1917 (to Oct. 1) ..	14,819,900	12,854,000

U. S. MARKET REVIVES.

Prices of Municipals Seem To Be Firming Up Of Late.

Though the Canadian market for municipals is at present about as dead as it could be, the same is evidently not true of the United States market. According to the financial papers, there has been of late quite a perceptible hardening in the price of first-grade municipals. The tax exempt feature of municipal bonds, together with the fact that dealers are finding themselves short of issues, is having a beneficial effect.

The sale of $1,060,000 Cincinnati 4½s on a 4.59 and 4.62 basis certainly points the way, says the *Financial World*. There were over eighteen bidders and the competition ran close and keen. This loan will have to be reoffered, in order to show the purchasers a profit, on a 4½ basis. This certainly indicates a turn in the tide. Perhaps the next best illustration is that of the issue of $80,000 Pittsburgh 4½s, which were taken on better than a 4¼ per cent. yield. The special market conditions this bond enjoyed may have helped them to bring a high figure, but even so there are still plenty of good Borough bonds in Pennsylvania offered at better than a 4½ per cent. yield.

The $180,000 Tacoma, Wash., 5s were sold at par to one of the city funds and the balance of the Milwaukee 4½s, amounting to $320,000, were taken at a private sale on about a 4.49 per cent. basis. The balance of the week's sales represented some general market issues of only local interest and with the exception of the St. Paul 4½s and the St. Louis school district 4s, there are practically no attractive blocks scheduled for the coming month.

R.C.Matthews&Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

Canadian Government and Municipal Bonds
R. A. DALY & CO.
BANK OF NOVA SCOTIA BUILDING
TORONTO

Northern Crown Bank
HEAD OFFICE, WINNIPEG
Capital (authorized) - $6,000,000
Capital (paid up) - - $1,431,200
Rest and Undivided Profits $848,554
DIRECTORS.
President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown.
W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G. E. F. Hutchings, John Stovel.
General Manager - Robert Campbell

Four Branches in Alberta, seven in British Columbia, twenty-two in Manitoba, twenty-five in Ontario, fifty-three in Saskatchewan. A total of one hundred and eleven Branches throughout Canada.

V. F. CRONYN
Manager - - - - Toronto Branch

SOLICITORS
TORONTO
BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building, Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

WE OFFER:
Dominion
WAR BONDS
Provincial
Government
Bonds
Ontario Short Term
Municipals
At Attractive Prices.
Write or Phone
JOHN STARK & CO.
504 ROYAL BANK BLDG.
TORONTO

A Bradford, England, dispatch says that the British Government's cloth office will place large khaki orders for the American troops. Important orders are also to be placed for Greece and Serbia.

Sir Eric Geddes, First Lord of the British Admiralty, in a letter to a friend in the United States, says: "I think we are a long way from the end of the war."

AT THE SERVICE OF
CANADA'S VICTORY LOAN
CAMPAIGN

RENE-T. LECLERC
Government and Municipal Bonds
160 St. James Street Montreal
Telephones: Main 1260 and 1261

Dominion of Canada
WAR LOANS
We shall be pleased
to give quotations
for the purchase or
sale of these Bonds.

F. H. DEACON & CO.
Members Toronto Stock Exchange
INVESTMENTS
97 BAY STREET, TORONTO

*Obey
That
Impulse*

INVEST IN THE
VICTORY LOAN
*Other Investments
can wait.*

Beausoleil, Limited
263 St. James Street
Montreal

CHARTERED ACCOUNTANTS
EDMONTON, ALTA.
Baldwin, Dow & Bowman,
Jackson Block

CONSULTING ENGINEERS
MONTREAL
W. J. Francis & Co. - 260 St. James St.

One of the best AUTHORIZED
investments for TRUST FUNDS
is our
5% DEBENTURE
Ask for Booklet "About Debentures"

Paid-Up Capital $2,410,925.31
Reserve - - 685,902.02
Assets - - 7,426,971.18

**THE GREAT WEST
PERMANENT LOAN
COMPANY**
WINNIPEG TORONTO
VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT.

**Canada Permanent
Mortgage Corporation**
Toronto Street, Toronto
Established 1855

President—W. G. Gooderham.
First Vice-President—W. D. Matthews.
Second Vice-President—R. S. Hudson.
Joint General Managers—R. S. Hudson, John Massey.
Superintendent of Branches and Secretary—Geo. H. Smith.

Paid-up Capital ....$ 6,000,000.00
Reserve Fund (earned)... 5,000,000.00
Investments 32,264,782.81

DEBENTURES

For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a Legal Investment for Trust Funds.

We shall be pleased to forward a specimen Debenture, Copy of Annual Report and full information to any address we receive.

FIELD OF MUNICIPAL FINANCE

DID NOT GET A 3 PER CENT COMMISSION

Allegations That Brokers Handling Winnipeg Water Bonds Got This Rate Denied.

TERMS OF DEAL EXPLAINED

Board Really Did Better Than Usual in Making Deal, Considering Bonds Were Unsaleable By Tender.

At a recent meeting of the Winnipeg City Council, some criticism was levelled at the Greater Winnipeg Water District Board for allowing the brokers, selling the last $4,000,000 issue of Water District Bonds, to get a 3 per cent. commission. The statement was subsequently denied by Commissioner Waugh at a meeting of the board and the following information was given out relative to the terms of the sale.

Under the terms of the arrangement made with the Greater Winnipeg Water District's fiscal agent, which is the Bank of Montreal, the bonds were sold on a 7¼ per cent. basis; namely, $90.68, making 6½ per cent. to the investor, the balance of ¾ of 1 per cent. being the selling commission. It was also agreed that if the bonds could be sold at a better price the brokers would receive the same amount of commission on such sales, and the district would benefit by the amount of any increase in price. That is, if the price for which the bonds were sold was more favorable to the district than $90.68 the difference would come back to the district.

Difference in Price.

The amount of bonds in the last issue was $4,000,000, and as it was understood that some of the bonds had been disposed of at a price two or three points better than the minimum acceptable to the board, the question was raised as to whether the brokers profited by this difference or whether it came back to the district.

Commissioner Waugh and Mayor Davidson, both of whom had been in Montreal interviewing the fiscal brokers when arrangements were being made for the sale of the debentures, explained that the price of $90.68 was absolutely the best that could be got, and that the brokers would rather not have handled the issue even at that price. The usual brokerage was one per cent., but for patriotic reasons and in view of the general financial situation, the brokers in this case had eventually undertaken to accept ¾ of 1 per cent. While it might be the case, said Mr. Waugh, that some of the bonds had been sold at a better price than the district had agreed to accept, there was a considerable quantity of the bonds sold at a price which only left a ¼ of 1 per cent. commission to the brokers Wood, Gundy & Co., who had bought the previous $4,000,000 issue, had lost out on them, and when the district called for tenders for the recent issue of $4,000,000 there was not a single tender.

**Albert E.
Dyment & Co.**
(Members Toronto Stock Exchange)

Stock Brokers
402 Dominion Bank Building
TORONTO

**ROYAL BANK
OF SCOTLAND**
Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, A. K. Wright, Secretary, J. B. Adshead.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland

Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Nov. 5, Arthur, Ont.—$3,000, 6%, 15-instalment debentures of the village of Arthur. D. T. Small, Village Clerk, Arthur, Ont.

BY-LAWS PASSED OR DEFEATED.

Kincardine.—$17,000 loan from Merchants' Bank for payment on bridge contracts, pending issue of debentures. Passed by council, Oct. 10.

Stratford.—$4,300 for the purchase of a 7-ton gasoline-driven tandem road roller. Passed by council, Oct. 19.

Caradoc Township.—$30,000 for construction of tile, stone or timber drains. Passed by council, Oct. 15.

Waterloo.—$3,000 for British Red Cross. Passed by council, Oct. 24.

BY-LAWS TO BE VOTED ON.

Nov. 3, Brantford.—$50,000 to establish a municipal fuel yard, the money to be borrowed in sums as required.

Nov. 12, Leamington, Ont.—$4,500 to pay for securing contracts for the cultivation of 8,000 acres of sugar beets for a proposed sugar beet factory.

CONTEMPLATED BY-LAWS.

L'Orignal.—$4,000 for good roads and $2,000 for building a bridge. Will be submitted to the ratepayers some time in November.

Winnipeg.—$500,000 for the construction of new schools. By-law will probably be submitted on November 30. Debentures will not be offered until after the war.

DEBENTURE NOTES.

Waterloo.—The $3,000, 6%, ten-year debentures issued on account of British Red Cross, were awarded to a local investor at 105.

Lindsay.—Town Treasurer Currie has reported that a limited number of six per cent. debentures have been placed locally.

Forest.—The application of the town of Forest to the Ontario Railway Board for approval of its by-law authorizing issue of $1,500 debentures for a fuel depot has been enlarged for a few days.

Saskatoon.—Providing the permision of the Local Government Board is obtained, the public school board will transfer the site of the old Prince of Wales School to the city for $7,500 in debentures.

BRITISH COLUMBIA.

The following certificate has been issued by the Municipal Department of the Province of British Columbia:—

Fernie.—By-law No. 174 sewers, $14,000, interest 5½%, repayable in equal annual instalments of principal and interest $963.28 yearly for 30 years, and debentures 1 to 28 thereunder. Certificate issued October 19th, 1917.

SASKATCHEWAN.

The following is a list of debenture applications granted by the local Government Board from Oct. 15th to 19th:—

School Districts.—Twin Hill, $2,000; Westland, $1,800; Six Mile Lake, $1,800.

Rural Telephone Companies.—Hilldrop, $5,500; Mellow Lake, $1,000; Flaata, $3,000; Longlaketon, $200; Quill Plains, $2,800; Springside, $4,800.

Village of Estuary, $2,000.

The following is a list of debentures reported sold from Oct. 15th to 19th:—

School Districts.—Rose, $2,000, Goldman & Co., Regina; Fairyland, $1,900, Goldman & Co., Regina; Purple Hill, $2,100, Goldman & Co., Regina; South Trail, $1,200, Goldman & Co., Regina; East Butte, $1,600; Goldman & Co., Regina; Garrett, $2,000, Goldman & Co., Regina; Equity, $2,000, Goldman & Co., Regina; St. Cunigunda, $1,800, Goldman & Co., Regina; Semans, $10,000, Nay & James, Regina; Henderson, $1,600, Gt. West Life Ass. Co., Winnipeg; Belle Butte, $1,900, C. M. Gripton, St. Catharines; Kinistino, $8,900, Bond & Debenture Corporation; Duval, $7,000, Nay & James, Regina.

Rural Telephone Companies.—Troy, $500, Saskatchewan Life Insur. Co., Regina; Bresaylor, $10,500, Mr. Thomas, Bresaylor; Hubbard, $6,000, Nay & James, Regina; Mair, $2,000, Goldman & Co., Regina; Wolfe, $8,000, Goldman & Co., Regina; Adams, $1,000, C. W. J. Burnett, Regina; Luseland East, $9,800, Nay & James, Regina; Luseland West, $10,900, Nay & James, Regina; Red Jacket, $200, D. McDougal, Moosomin; Wartime, $1,700, Wood, Gundy & Co., Saskatoon; Third Meridian, $1,200, Town of Davidson Sinking Funds; Bredenbury South, $7,900, J. A. Thompson, Winnipeg; Lakeside, $4,000, Union Bank of Canada.

Town of Raddison, $7,991.70, W. L. McKinnon & Co., Regina.

BOND SALES.

$3,000 Bell Telephone at 93 to 92⅞; $4,000 Dominion Iron at 86½; $10,000 Laurentide at 101¼; $500 Montreal Trams. debs. at 72; $19,200 Ontario Steel at 86¾; £2,000 Price Bros. at 81¾; $3,500 Quebec Ry. at 60; $101,700 War Loan (1925) at 96¾ to 96; $178,900 War Loan (1931) at 96¾ to 95; $213,500 War Loan (1937) at 94⅝ to 94.

RESOLUTION OF UNION OF C. M. IS CRITICIZED

Recommendation Made at London to Double Pay of Soldiers Considered.

WOULD BANKRUPT COUNTRY

Col. A. T. Thompson, Well-known Canadian Officer, Takes Issue With Well-Meaning But Irresponsible Parties.

Colonel A. T. Thompson, ex-M.P., editor of the *Canadian Military Gazette*, who, with his two sons, is on active service in France, takes issue gently but firmly in the last issue of the *Gazette* with the ill-considered rerecommendation of the Union of Canadian Municipalities that the pay of men in the ranks should be doubled. To his mind it is not a case of justice or injustice but one of sheer ability to pay. In other words, the country can't double the soldiers' pay because it would go bankrupt if it tried. His views on the subject are as follows:—

There can be no doubt at all but that this resolution was passed out of a feeling of kindly generosity for soldiers, but what looks kind on the face of it, is not always so in reality.

To increase pensions would probably be a good thing. Broken soldier-men are entitled to great consideration, and then the amount of the increase is left open, which leaves room for careful investigation, with resultant proper grading.

But the proposition to DOUBLE, at one fell swoop, the pay of men in the ranks is, we venture to think, extremely unsound. What are the men in the ranks there for? Ask them, and you will get this reply, "To win the war," and they make good their answer by offering their flesh and blood freely to that end. But men alone cannot win any war. There are three great Ms—Men, Munitions and Money, the trinity which decides all such contests.

To bankrupt a country, and Canada is already struggling under a tremendous and ever-increasing financial burden, would be to lose the war, not to win it, and so to defeat the very end for which our brave soldiers are fighting.

Have our well-meaning friends of the Union of Municipalities ever figured out just what their proposal would mean in dollars and cents? We doubt it. Let us try to do it for them, not exactly, but near enough for argument. There must still be about 300,000 men in the ranks, each at present drawing $1.10 per day, or a total of $330,000 daily, that is a million in every three days, and say $120,000,000 each year. The resolution of the municipalities, therefore, if acted on, would increase our war expenditure some hundred and twenty millions per year. The men deserve it, but the country which is their first consideration, that country for which they are enduring all things, for which many of them are even making the supreme sacrifice, would bleed to death under the added strain.

What is really wanted is increase of separation allowance, not only for the dependents of men in the ranks, but of all except the senior commissioned officers.

Single men can get on with what they are already drawing, but those who have left wives and families behind them are already beginning to feel the pinch occasioned by the big increase in the price of the necessaries of life. We have argued this question before, and have no intention to repeat the process, but it can be summarized in this way: If the separation allowance granted in 1914 was sufficient on the basis of the prices ruling then, it CANNOT BE SUFFICIENT for the prices of 1917.

An increase proportioned on the difference of cost of necessities between 1914 and 1917 is really necessary, and should be granted without further delay.

Such a grant would certainly swell our annual war expenditure, but it would take no hundred and twenty millions to meet it, and for it there is real necessity, where for the other there certainly is not.

We soldiers feel grateful to the Municipalities for the interest they are taking in our welfare, but in this instance we feel that their enthusiasm has outrun discretion.

It is the same old story—the readiness of aldermen so often to spend the public money without giving proper consideration to the questions involved. How frequently members of council approach matters involving municipal finance with a very different standard of judgment than they employ in their private affairs!

In Edmonton they are suggesting schemes to lure taxes from the ratepayers. One scheme would allow a discount on any taxes paid in advance at the rate of one per cent. per month.

Vancouver is facing an estimated civic deficit of $405,000, largely as a result of taxes not coming in as well as expected. The council has decided to put into effect a number of drastic economies.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose.	Purchaser	Rate	Term	Amount	Price	Basis
Oct. 19	Sask Schools (see list above)	Various		......	$44,000	......	....
" 19	Saskatchewan Phones (see list above)	Various	7%	15-ins.	63,700	......	....
" 19	Radisson, town, Sask.	W. L. McKinnon & Co.		......	7,991	......	....
" 19	Waterloo, Ont., Red Cross	Local	6%	10-yr.	3,000	105.	....
" 19	Hull, P. Q., local improvements	Versailles, Vidricaire & Boulais	6%	5½-yr.	179,000	95.23	....

Credit-Canada, Limitée

**Government, Municipal
and School Bonds**

President. Hon. H. B. Rainville
Managers E. A. Ouimet, F. Saint-Pierre

179 St. James Street, - Montreal, Canada

The Mining Corporation of Canada, Limited

ANNUAL REPORT

Balance Sheet as at December 31st, 1916

LIABILITIES.	
Accounts Payable	$ 61,661.82
Taxes and Royalties Payable	110,267.98
Dividends Unpaid	8,267.19
Casey Cobalt, Silver Mining Co., Limited	100,645.50
Profit and Loss Account (Balance at Credit)	2,447,582.65
Capital Stock—(2,075,000 shares at $1 fully paid)	2,075,000.00
	$4,803,425.14

ASSETS.	
Cash in Bank and Office	$ 846,367.70
Accounts Receivable (as per Schedule)	96,947.50
Due by Smelters	73,992.96
Ore in Transit	430,534.14
Ore on hand (as per Manager's Inventories)	285,300.00
Demand Loans	60,637.89
Stores and Prepaid Expenses	20,278.86
Fixed Assets (Buildings and Equipment)	329,777.28
Shares Cobalt Reduction Co., Limited	249,083.34
Porcupine Shares and Claims	9,301.71
Mining Rights	1,327,873.61
Debentures Receivable (Town of Cobalt)	5,558.86
Russian Prospects	97,639.94
Coastal Syndicate, Limited	18,450.44
Casey-Kismet Mining Co.	7,737.50
Treasury Bills Purchased	897,278.28
Canadian War Loan	46,665.18
	$4,803,425.14

To the Shareholders The Mining Corporation of Canada, Limited:

We have audited the books of The Mining Corporation of Canada, Ltd., for the year ended 31st December, 1916. Our requirements as auditors have been compiled with, and in our opinion the accompanying Balance Sheet is properly drawn up to exhibit a true and correct view of the state of the Company's affairs according to the best of our information, and the explanation given to us, and as shown by the books of the Corporation. No provision has been made for depreciation; but all expenditures on the construction of, and additions to Plant, as well as on Development and Exploration, have been provided for out of earnings, except in the case of the drainage of Cobalt Lake. The expenditure on the lake drainage is being provided for out of earnings over a period of three years.

STIFF BROS. & SIME, Chartered Accountants.
Geo. U. Stiff, F.C.A.

Toronto, 13th March, 1917.

Mines Account for the Year Ended 31st December, 1916

To Costs at Mine—		
Extraction	$ 211,619.60	
Development	42,051.17	
Exploration	189,151.16	
Milling and Reduction	471,970.03	
Freight and Realization (Transportation and Smelting)	242,138.04	
Administration and General	85,311.68	
	$1,242,241.68	
Special Expenditure	119,883.93	
	$1,362,125.61	
To Profit at Mine	1,913,880.00	
	$3,276,005.61	

By Production—	
Values	$3,270,279.05
Other Income—Rentals, etc.	5,726.56
	$3,276,005.61

Profit and Loss Account for the Year Ended 31st December, 1916

To Head Office Expenses—		
Office Salaries	$4,156.23	
Office Expenses, including rent, printing, stationery, telegrams, cables, etc.	7,661.29	
		11,817.52
Legal Expenses		2,082.19
Accounting Charges and Audit Fees		2,000.00
Directors' Fees		13,190.17
Engineers' Salaries (Consulting and others) and Office Expenses		12,824.29
Traveling Expenses		8,223.16
Examination of Prospects		10,324.56
Provincial Government Royalties, Taxes, Managers' Commissions and Business Profits War Tax		233,161.61
		$ 293,623.50
To Dividend No. 4—12½%, paid Mar. 31, 1916	$259,375.00	
Dividend No. 5—12½%, plus 2½% bonus, paid Sept. 30, 1916	311,250.00	
		570,625.00
Balance carried to Balance Sheet		2,447,582.65
		$3,311,831.15

By Balance forward from last year	$1,167,376.10
Profit at Mines	1,913,880.00
Dividends from Cobalt Reduction Co., Ltd.	171,516.44
Interest	49,632.81
Transfer Fees	18.47
Silver Purchases	9,407.33
	$3,311,831.15

From the aggregate total of the Capital expenditure incurred during the year, plus the balance carried forward from 1915, $119,883.93 has been written off, leaving a net profit to carry forward of $1,850,831.55
Of this total ....$ 570,625.00
was paid in dividends and $1,280,206.55
was carried to surplus, which, at December 31st, 1916, amount to $2,447,582.65

The following were elected Directors of the Company for the ensuing year:—Sir Henry M. Pellatt, C.V.O.; J. P. Watson, W. R. P. Parker, G. M. Clark, D'Arcy Weatherbe, Lieut Graeme Watson, Capt. R. E. G. Van Cutsem. Major G. U. Stiff was reappointed Auditor

At a meeting of the Directors, held subsequently, the following Officers were elected:—

President—Sir Henry M. Pellatt, C.V.O.
First Vice-President—J. P. Watson.
Second Vice-President—W. R. P. Parker.
General Managers—J. P. Watson and W. R. P. Parker.
Consulting Engineer—D'Arcy Weatherbe.

During the year 1917, the Company has been reorganized. The English Company, which formerly owned 92½ per cent. of the shares of the Canadian Company, has been wound up. The Capital of the Canadian Company has been increased to an amount equal to that of the English Company, and the shares of the Canadian Company have been distributed among the shareholders of the English Company, share for share. The Head Office has also been moved from London, England, to Toronto.

Owing to the delay caused by these proceedings, the Annual Shareholders' Meeting was postponed from April to September.

The following statement, furnished to the Shareholders of the Company, shows the progress made by the Company during the year 1917:—

Liquid Assets.	Dec. 31, 1916.	Sept. 9, 1917.
Cash in Banks	$ 846,367.70	$1,338,117.78
Ore in Transit, on Hand, Moneys due by Smelters, Accounts Receivable	894,512.10	1,214,853.27
British, Canadian and French Government War Loans	943,943.41	1,037,628.26
Call and Demand Loans on Bonds and Stocks	60,637.89	103,065.33
Profit and Loss Account	2,447,582.65	3,519,768.15

In addition to surplus, as shown by Profit and Loss Account, as at September 9th, 1917, two dividends and bonuses, totalling $933,778.12, have been paid since 1st January, 1917.

LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO
E. P. Clement, K.C., President Geo. Wegenast, Managing Director

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

NEW RECORDS

Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Total Benefits Paid 53 Million Dollars

FRED J. DARCH, Secretary
W. H. HUNTER, President
S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - TORONTO

Escaped from Germany

AN escaped prisoner tells the story of his fearful experiences in Germany in MACLEAN'S MAGAZINE for November; and gives a vivid picture of conditions in Germany as he saw them. He got out by way of Holland after appalling perils and hardships. In Holland, he was photographed, but so altered was he that his wife quite failed to recognize him in this photograph. Read this story of this Canadian soldier's escape. It is gripping stuff—a rare tale.

Canadian Finances After the War

Will business in Canada collapse when peace comes? It may. What do the big men say? What do they know? What do you think? Are your opinions well informed? The subject is of the greatest possible importance, and you will get light and leading by reading the contribution of Col. John Bayne Maclean, who has taken the trouble to get the opinion of the biggest and most highly placed men in Canada to help him prepare his article.

Back From the Arctic

William Thompson, representing the American Geographical Society, was this year in the Arctic Regions. He went to the delta of the Mackenzie River and took many excellent pictures of the country and its Eskimo inhabitants. He makes the November MACLEAN'S the vehicle of many of his pictures and for an account of his journey. Read what this Arctic scientist has to tell us about a remote part of our land.

Slackers and Conscription

What is your attitude towards the draft? You have positive opinions, of course. How do they square with Miss Laut's as they are expressed in her ringing article on Slackers in the November MACLEAN'S.

The Nation's Business

This is a new feature—a fearless, well-informed survey of national affairs. What we all want is an outspoken—but not vindictive—and clear-visioned presentation of factors and facts affecting our national, political and economic welfare.

Sketches of Trench Life
By Gunner McRitchie

McRitchie was a cartoonist on a Western Canada daily before he went overseas. He has done a number of sketches of trench life "On the Spot," and these he has sent home, for publication in MACLEAN'S MAGAZINE. They're interesting and good.

The Late Sir Mortimer Clark

Before he died, a few weeks ago, the late Sir Mortimer Clark, eminent jurist and an ex-Lieutenant-Governor of Ontario, wrote for MACLEAN'S an article on "Safeguarding Your Heirs." It has to do with the functions, service and safety of Trust Companies as executors of estates. This article by a man so distinguished, so cautious, so able, and so wise a counsellor, can be of first-rate value to every man perplexed with the problem of how his estate can be safely and prudently administered after he, the testator, has passed from this life.

A Complete Novelette
By Peter B. Kyne

His story in the November MACLEAN'S is a thunderingly good story of lumbermen, and lumbering. Red blood is in this tale of business. R. M. Brinkerhoff illustrates it.

Short Story
By Ethel Watts Mumford

The writer of this short story—the first of a delightful series by this author to appear in MACLEAN'S—is very well known among short story writers. Delicate fancy, wholesomeness, freshness and finished workmanship characterize all her work.

Short Story
By W. A. Fraser

A mightily well-written story of India—the kind that we all delight in; tense, bewildering, and lots of action. Fraser never wrote a better short story than this. Ben Ward illustrates it.

Hendryx and Oppenheim Serialists

"The Gun Brand," by Hendryx, comes to an end in the November issue. Oppenheim's greatest story, "The Pawns Count" is continued. Oppenheim's story is the biggest single feature ever secured by MACLEAN'S.

MACLEANS MAGAZINE for November
At All News Dealers, 15c.

INVESTORS' INSURANCE NOTES

OVER $43,000,000 LIABILITY HAS BEEN INCURRED

Toronto's Soldiers' Insurance Scheme Involves this Contingent Liability.

NEED FOR READJUSTMENT

Finance Commissioner Believes Scheme Should Be Limited To Those Having Pecuniary Interest in Lives of Soldiers.

A plea for further readjustment of the city of Toronto's soldiers' insurance scheme is contained in the annual report of Finance Commissioner Bradshaw, which has recently been issued. Dealing with the general subject of war expenditure, Mr. Bradshaw points out that, so long as the war continues, taxation to cover these expenditures will have to be continued and enlarged.

"I respectfully urge," says he, "that most earnest consideration be given to expenditures on behalf of the war. There is, unquestionably, an obligation on the part of the city to undertake certain expenditures relating to the war, and it is believed that the general body of citizens recognize this, and approve of such expenditures. On the other hand, there are war obligations which we have assumed, and others which we are being urged to assume, which, in my judgment, do not come within the scope of municipal enterprise, even when that scope is interpreted in the broadest sense.

Insurance Question.

"If the war were to stop now, and the aims of the Allies were attained, the question might be dismissed, but the outlook for such is far from promising, and, therefore, it appears to me that the continuation of the present policy of war expenditure only tends to lessen our influence and to weaken our ability to assume to the full the share of responsibility which it is expected we shall do throughout the course of the war. For example, the imposition of an income tax by the Dominion will, no doubt, lessen private gifts to the Patriotic and other like funds, and, in consequence, Toronto and other municipalities will be expected to increase their givings to them from time to time.

"This brings up the question of insurance on the lives of our citizen soldiers, in the sum of $1,000 each. The number covered by the scheme is 43,265, involving a contingent liability of over forty-three millions, and an actual liability up to the present of $2,500,000, no less than two thousand five hundred of our brave soldiers having passed away. I cannot for one moment believe that it is the desire of those who are bereaved to benefit financially through the loss they have suffered, and, therefore, I submit that the civic insurance should be limited to those who had a pecuniary interest in the life of the citizen at the time of enlistment—in other words, to those relatives who were being supported financially by the deceased. This is really the essence of life insurance. Nations and individuals have been compelled to readjust their plans and schemes from time to time throughout the course of the war. Toronto has already made some changes in connection with her insurance scheme, and it seems to me that it is time for further readjustment."

BIG SUBSCRIPTIONS.

How United States Insurance Companies Supported Second Liberty Loan.

The New York Journal of Commerce estimated on Monday that subscriptions to the second Liberty Loan by insurance companies of all classes exceeded $119,000,000. The subscriptions of fire and marine companies aggregated $26,250,000; of life insurance companies, $83,125,000; of casualty and surety companies, $8,169,500 and of miscellaneous insurance companies, $1,721,700. These figures, it is explained, do not include a considerable number of subscriptions of small amounts by companies which confine their operations to a small territory.

Subscriptions of $1,000,000 and over were received from the following companies: Aetna of Hartford, $1,000,000; Continental of New York, $1,000,000; Fidelity-Phenix, $1,000,000; German-American of New York, $1,000,000; Home of New York, $2,000,000; Insurance Co. of North America, $1,500,000.

Aetna Life of Hartford, $2,000,000; Connecticutt Mutual of Hartford, $1,000,000; Equitable Life of New York, $10,000,000; John Hancock Mutual Life, $4,000,000; Metropolitan Life of New York, $10,500,000; Mutual Life of New York, $15,000,000; Mutual Benefit Life, $4,000,000; Massachusetts Mutual Life, $1,000,000; New York Life, $10,000,000; New England Mutual Life, $1,000,000; Northwestern Mutual Life, $3,000,000; Prudential Life, $7,500,000; Penn Mutual Life, $2,000,000; Provident Life & Trust, $1,000,000; Travelers Ins. Co. of Hartford, $2,000,000; Union Central Life of Ohio, $1,000,000.

American Surety Co. of New York, $1,000,000; Fidelity & Casualty Co. of New York, $1,000,000; National Surety of New York, $1,000,000.

A SUBSTANTIAL GAIN.

Over Twenty-Five Per Cent. More Business for Canada Life.

The Canada Life Assurance Company issued over 25 per cent. more new business in the first nine months of 1917 than it did in the corresponding period of 1916, according to a statement issued by W. A. P. Wood, the company's chief actuary.

"Our experience so far this year is proving quite satisfactory in regard to the payment of premiums", says Mr. Wood. "The amount of lapses and surrenders is quite moderate, and the total death claims incurred up to date is over $100,000.00 less than it was for the same period of 1916.

"There does not appear to have been any fresh development in the investment situation. At the present time of course we have to bear in mind the new Government Loan which will be brought out next month."

BUSINESS SATISFACTORY.

Manufacturers' Life Expects That This Will Be Its Banner Year.

"Business for the year to date has been very satisfactory,—so much so that 1917 promises to be a banner year in this respect," says J. P. Lyons, advertising manager of the Manufacturers' Life Insurance Co.

"As regards collections, our income, both from premiums and interest, is quite satisfactory, and with the unprecedentedly high prices prevailing, we look for large returns during the ensuing two months, as the greater proportion of our mortgage interest is due at this time, and also the premiums on a large amount of our business, particularly Western business.

"In common with other companies, we have experienced a mortality somewhat in excess of that in previous years, but our death claims will be well within the expected.

"As regards the investment situation, this company has been a large purchaser of Government bonds, etc., and the high yield on these will reflect in the interest earnings of the company for many years to come."

THE EQUITABLE CASE.

Appeal of Royal Trust Company Gets Hearing in New York.

Judge Ward Rogers and Learned Hand, sitting at the U. S. Circuit Court of Appeals on Tuesday heard arguments on the appeal taken by the Royal Trust Company, of Montreal as trustee and executor of the estate of the late Sir Wm. Van Horne and other minority stock holders as plaintiffs in a suit over the mutualization of the Equitable Life Assurance Society.

The appeal is from the decision of Judge Hough of the United States District Court, in denying a temporary injunction to restrain the officers and directors, policyholders and the state superintendent of insurance from proceeding with the proposed plan of mutualization.

Henry Deforest Baldwin made arguments for plaintiffs and Chas. Evans Hughes presented the arguments for the Equitable Society.

Mr. Baldwin maintained that the present plan was intended to keep control of the immense resources of Equitable society, amounting to nearly $600,000,000, in the hands of the present board of directors. The plan is objected to by minority stockholders.

Important changes in its policy of insuring soldiers were decided upon this week by Toronto's Board of Control and civic insurance committee. In future no insurance is to be paid on the lives of soldiers now overseas, except to actual dependents. No insurance is to be paid to relatives living outside the city, except widows and children. No insurance will be given in the case of Toronto men raised under the Military Service Act.

The City of Hull sued the Great West Life Insurance Company for six years' taxes at $50 a year, under a by-law requiring insurance companies doing business within the limits of the city to pay an annual tax of $50; but Mr. Justice Chauvin, in Hull, decided that, as the company had no office in Hull, and any business done by it had to be sent to the head office in Winnipeg or to the office in Ottawa or in Toronto the company was not "doing business within the limits of the city of Hull."

PERMITS FOR SMOKING IN FACTORIES

State Industrial Commission of New York Formulates New Code.

RULES HAVE EFFECT OF LAW

Permits Only Allowed on Written Application By An Employer and Approved by Commission.

By formulating a new code, which makes it an offence to smoke in a factory without a permit, the State Industrial Commission of New York has taken an advanced step in the direction of fire prevention.

According to the rule, smoking may now be permitted in a factory only upon written application by an employer, approved by the State Industrial Commission after inspection by its staff and under certain conditions to be prescribed. The permit shall state the conditions under which each individual permit is issued.

For sampling, testing and experimental purposes, smoking may be permitted in cigar and cigarette factories if the factory building is fireproof or equipped with an approved automatic sprinkler system. Where the cigar or other factory is not fireproof or equipped with an automatic sprinkler system, smoking may be permitted in offices, sample rooms and separate rooms enclosed by partitions of fireproof or fire-resisting material, but no manufacturing may be permitted in the offices, sample rooms or separate rooms provided for the purpose of smoking.

In cigar and cigarette factories where less than six persons are employed, smoking, as hereinbefore provided, may be permitted for testing, sampling and experimentation without application of the restriction as to structural provisions, except in a tenement house where all these provisions shall apply.

As a general proposition, aside from those conditions hereinbefore specified, smoking may be permitted where conditions are substantially as follows: 1. In buildings where the contents are either non-inflammable or incombustible. 2. In buildings of mill construction where the contents are incombustible. 3. In factory buildings, in separate rooms set apart for the purpose as mentioned before. 4. In foundries and forge shops.

No permit will be issued for smoking in any factory where explosives are manufactured, used or stored. Where smoking is permitted, fireproof receptacles must be provided in which to deposit all waste or other inflammable material. Wherever smoking is permitted, the use of celluloid eye-shades, cuff protectors, or other similar devices is prohibited. Portions of any factory where smoking is permitted must be posted, as provided by Section 83 of Article 6 of the labor law.

WARNING TO INVESTORS.

Finance Minister Urges Canadians To Keep Their Money at Home.

Another warning has been issued by the Finance Minister to those Canadians who have been investing large sums of money in securities outside Canada.

"It has been brought to my attention," says Sir Thomas, "that large sums of Canadian money are being diverted to the purchase of Government and other securities now held outside of Canada. It is, in my view, vitally necessary in the national interest that all funds available for investment should be conserved for the purposes of subscription to Canada's Victory Loan, the lists for which will open on November 12 and close on December 1. I earnestly trust that the Canadian people will at this time refrain from making such outside purchases and reserve their money for the new issue."

A SMITH'S FALLS DEAL.

Russell Hotel Property Bought and Will Be Transformed.

One of the largest real estate deals put through in Smith's Falls for several years was completed by J. J. Gardiner last week when a local syndicate headed by John McEwen and William Hunter purchased the Russell Hotel property. This is one of the most desirable business sites in Smith's Falls, having a frontage of 120 feet on both Beckwith and Main Streets. It is the intention of the purchasers to have the hotel building extended to cover the full frontage on both streets and converted into a business block, some time in the near future.

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer.
J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $5,000,000.00
Losses paid since organization over - - - - - - $66,000,000.00

BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE
ALFRED WRIGHT, MANAGER

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - - TORONTO

BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.

Assets, Over - - - - - - $2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - $40,000,000.00

"Safety First" Ratio

A high ratio of Assets to Liabilities indicates safety of Policyholders' Funds. In this ratio

The Dominion Life Assurance Company

stands first of all companies in Canada

Head Office, - Waterloo, Ont.

To Salaried Men

Send for the pamphlet "Our Savings," issued by The Great-West Life Assurance Company.

It shows that a suitable Life Policy offers the surest way of providing a competence for old age—while at the same time assuring the comfort of dependent ones—should untimely death occur.

Ask a Great-West Policyholder what he thinks of his policy. Some 65,000 Policyholders have shown that they consider The Great-West Policies the best available.

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg
Send for a Vest-Pocket Memo Book, free on request.

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World
We Present a Record—Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

BUILDING IS PROGRESSING IN SASKATOON

Permits for First Nine Months of Year Nearly Half a Million.

PROTECTION FOR WINTER

Buildings in Course of Erection Are Protected So That Operations Need Not Cease in Cold Weather.

Reports from Saskatoon indicate a healthy condition in the building trades. For the first nine months of the year the total amount of permits issued was $478,430. As the total for the whole of 1916 was only $146,000 and for the whole of 1916 only $20,200, the improvement is marked and indicates fairly well the return of a spirit of greater confidence.

Work is proceeding steadily upon the building of the new warehouse of the A. MacDonald Company on 23rd Street and First Avenue. Protection against the winter weather now approaching is being erected, so that no stoppage in the operations will occur. The cost of the new building will be $30,000.

The work upon other buildings in the city now in the course of erection is being similarly protected. The most important building operation proceeding at present is the new Eaton building, which will cost $115,000. Amongst the other permits issued through the city engineer's office is that of the Dart building on Second Avenue, $14,000; J. L. Case Co., $23,000; Isolation Hospital, $12,000; P. Burns Company, $20,000; R. M. Gillespie building on Second Avenue, $15,000; Bank of British North America, Second Avenue, $40,000.

Some of the above buildings have been completed, and others are still in course of construction. The renewed work upon the completion of the Drinkle Block on Third Avenue is a further indication of the return of confidence.

It was learned last week that a 50-foot extension is to be made to the C.N.R. Express office. This has become necessary in view of the additional business being handled. Work upon this extension has already begun.

BIG RANCH SOLD.

Mendenhall Property, South of Magrath, Alta., Brings Big Price.

Many changes in the ownership of famous old Southern Alberta ranches have been made this year, and the latest transaction is that which involves the purchase of the Mendenhall ranch, lying along the Milk River ridge south of Magrath by J. W. McClain of Monarch, well known farmer and horse breeder.

The Mendenhall Ranch, with the Knight, McIntyre and Elridge ranches are the largest along the Milk River ridge country. The Mendenhall comprises 10,000 acres of fine ranch land and in securing it, together with the stock thereon with the exception of 2,300 sheep, Mr. McClain obtains one of the finest ranch propositions in Southern Alberta. The purchase price for the land and stock is said to be $225,000. The deal was put through by the Pilling Land Co., of Lethbridge. Mr. Mendenhall intends to return to Utah where he will reside in future.

The Burns ranch at Milk River and the Cameron ranch northeast of the city are other large ranches sold this year. The Knight ranches are also said to be on the market.

SALE OF SCHOOL LANDS.

Buyers Came From Near and Far To Buy Saskatchewan Lands.

The auction sale of school lands held at Nokomis, Sask., last week, proved one of the biggest events that has occurred since the inception of the province. It is stated that one thousand men attended the sale. The weather was unfavorable, but nevertheless, about two hundred autos came in from neighboring towns. Frank A. Collins, superintendent of school lands, Winnipeg, called the crowd to order, and after making a short address introduced J. E. Bradshaw, ex-M.P.P., official auctioneer, who conducted the sale in a very efficient manner. The lands sold, 337 parcels in all, were spread over 49 townships north and south from Govan to Lanigan, and east and west from Quinton to Imperial. The prices paid ranged from $14 to $76 per acre, the latter being paid for a quarter section two miles west of Nokomis, $45, $50, $67, and $70 and other high prices were paid for parcels of land further out.

SINCE 1896

The Canadian Northern Railway System has expanded, with an expanding Canada, into a network of nearly ten thousand miles of rails serving the most productive portions of the Dominion, and having an important bearing upon the development of the great industries of the country.

LUMBER

During the last fiscal year, the Canadian Northern Railway System handled more than one million tons of lumber in excess of its nearest competitor. Lumber mills producing 30% of the total output in Canada are served by the Canadian Northern Railway, while 32% of the total is marketed by water. In British Columbia, the Canadian Northern proportion is 34%; in Alberta, Saskatchewan and Manitoba 70%; in Ontario 33%; in Quebec 28%; in Nova Scotia 28%.

GRAIN

Licensed elevators having 47% of the total capacity in Canada are on the Canadian Northern Railway line; collecting elevators having 26% of the total capacity of Western Canada are served by the Canadian Northern Railway.

FLOUR

Flour Mills having 51% of the total daily capacity in Canada are on lines of the Canadian Northern Railway. In British Columbia, the C.N.R. proportion is 90%; in Alberta 44%; in Saskatchewan 74%; in Manitoba 81%; in Ontario 34%; in Quebec 90%; in Nova Scotia 15%. At Duluth, which is considered separately, the daily capacity is 5,500 barrels per day.

PULP AND PAPER

Pulp and Paper plants having 53% of the capacity of Canada are served by Canadian Northern Railway lines. In Ontario, the Canadian Northern proportion is 60%; in Quebec 64%; and in Nova Scotia 50%.

With the completion of some short mileage, the Canadian Northern Railway System will be serving centres containing 60% of the population and producing 70% of the manufactured products of the provinces of Ontario and Quebec: 97% of the urban population of Manitoba, 97% of that of Saskatchewan and 90% in Alberta; in British Columbia, it opens up the North Thompson Valley to settlement, and serves anew the old places such as Kamloops, Ashcroft, Yale, Hope, New Westminster, Vancouver and Victoria.

Test Canadian Northern Railway Service

While the Canadian Northern Railway opened vast areas to settlement, it also sought successfully for the immigrants to people in part the lands so made available. The lines to that great market from the centres of Ontario and Quebec, and from Victoria and Vancouver are now in operation. It will be well worth while to test the service.

Principal Offices at: Halifax, N.S.; Quebec, Que.; Montreal, Que.; Ottawa, Ont.; Toronto, Ont.; Port Arthur, Ont.; Winnipeg, Man.; Regina, Sask.; Saskatoon, Sask.; Prince Albert, Sask.; Edmonton, Alberta; Calgary, Alberta; Kamloops, B.C.; New Westminster, B.C.; Vancouver, B.C.; Victoria, B.C.

CANADIAN NORTHERN

SHIP
CANADIAN
NORTHERN
ALL THE WAY

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL	$15,000,000
REST	$13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco. Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

Collections

Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

The Dominion Bank

HEAD OFFICE - TORONTO

Sir Edmund B. Osler, M.P., President
W. D. Matthews, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of The Dominion Bank at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

CAPITAL,	$ 6,500,000
RESERVE,	12,000,000
TOTAL ASSETS,	115,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:

John Y. Payzant, President — Charles Archibald, Vice-President
G. S. Campbell — S. J. Moore — W. W. White, M.D.
Hector McInnes — J. Walter Allison — W. D. Ross.
James Manchester — Hon. N. Curry — Hon. M. C. Grant

GENERAL MANAGER'S OFFICE, TORONTO

H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

A general banking business transacted. Letters of Credit issued, drafts bought and sold, payable in all parts of the world. Savings Deposits opened by deposit of $1 or over, interest added half yearly.

UNION BANK OF CANADA

Dividend No. 123

Notice is hereby given that a Dividend at the rate of 8% per annum, together with a bonus of 1%, upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the 1st day of December, 1917, to shareholders of record at the close of business on the 15th day of November next.

The Transfer Books will be closed from the 16th to the 30th day of November, 1917, both days inclusive.

By order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, October 18th, 1917.

MAKE YOUR 7%

MONEY WORK

Particulars of Safe Investments yielding from 6% to 7½% per annum on request.

Campbell, Thompson & Co.

6½% CANADA LIFE BLDG. TORONTO 7½%

O. N. SCOTT

Consulting Mining Engineer

Examination and Reports on Mining Properties

ADDRESS

ONTARIO CLUB - TORONTO

Telephone Adelaide 3040

Write us for quotations on

DOMINION

Provincial and Municipal

BONDS

Yielding from 5½% to 7½%

Particulars Furnished on Request.

C. H. BURGESS & CO.

Bank of Hamilton Building TORONTO Canada

HARVEY, RICHARDSON, COLE & ROBERTSON

Chartered Accountants

CALGARY - EDMONTON - WINNIPEG

Western Representatives of

MACINTOSH, COLE & ROBERTSON, C.A.

Montreal and Toronto

Consultants on Municipal Finance, Auditors, Etc.

Industrial Plant Valuations

Made by

Qualified Experts in all Lines

Special Canadian Staff

STANDARD APPRAISAL COMPANY

56 Pine Street. - - New York

G. B. Perry & Co.

Government and Municipal Bonds

Local Investments

Merchants Bank Building Hamilton, Canada

Geo. O. Merson & Co.

Chartered Accountants.

807 Lumsden Bldg., Toronto

STOCKS FOR SALE

25 Shares Dominion Sugar.

50 Shares Volcanic Oil & Gas.

30 Shares Dominion Permanent Loan.

J. E. CARTER

Investment Broker, GUELPH, ONT.

ERICKSON PERKINS & CO.

Members New York Stock Exchange

STOCKS AND BONDS

Private Wires

6 KING STREET WEST

TORONTO

Chartered Trust and Executor Company

accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment, and security of principal.

Chartered Trust and Executor Company

61 Yonge St. TORONTO

CONSUMERS GAS EARNING MORE DESPITE THE WAR

Net Profits Higher, Although Costs Advance 23 Per Cent.

COMPETITION NOT FEARED

President Austin Makes Statement That Electricity Is Not Preventing Continued Development of the Gas Market.

With increased operating costs—about 23 per cent. higher than in the previous year—the Consumers' Gas Company was able to show a substantial increase in net earnings for the year ending September 30. This was largely due to the ever increasing volume of business upon which the war conditions quite evidently had no detrimental effect, although creating many difficulties in the producing department. The gross earnings amounted to $4,296,349, an increase of $658,544 over the previous year, while the net profits at $953,306 showed an advance of $33,730. The increase in the gross was at the rate of 19.1 per cent. and in the net 3.6 per cent., which gives an indication of the effect of the higher cost of production referred to.

After providing for interest of $46,271, and dividends of $495,740, the sum of $436,394 was devoted to the plant and building renewal fund. These appropriations totalled $978,306 as compared with net profits of $953,306. However, the additional $25,000 was not drawn from reserves—a practice which was followed last year and in previous years—but was an absorption into the plant and building renewal fund of $25,000 received as compensation for the damage to the company's property on Bathurst Street. The amount at the credit of the reserve fund, therefore, stands at $684,956 as in the report of a year ago in addition to which there is $2,840,877 being premium on stock. This premium shows an increase of $239,350 for the year as a reflection of the new stock issue. The plant and building renewal fund has been increased by the appropriation of $436,294 but reduced by expenditures to the extent of $314,162 for repairs and renewals, the net result being an increase from $1,486,180 to $1,608,312.

Income and Expenditure.

The income figures for the past three years are as follows:

	1915	1916	1917
Gross sales ..	$2,423,921	$2,487,674	$3,007,424
Residuals	737,500	851,119	897,498
Merchan. sold	251,894	263,326	351,318
Misc. revenue.	26,692	35,686	40,109
	$3,440,008	$3,637,805	$4,296,349

Net results are reached by costs of production and operation which for the past two years compare as follows:

	1916	1917
Coal, bituminous	$ 895,203	$ 986,998
Coal, anthracite and coke	346,317	444,099
Gas oil	155,336	310,361
Oxide	9,138	7,786
Steam	142,248	187,572
Wages, manufacturing ..	131,436	157,985
Misc. wages, etc.	180,786	233,864
Street dept. expense	16,484	13,523
Meter settings	42,146	52,884
Govt. fees, etc.	13,262	16,414
Meter dept. expense	16,108	21,178
Reading meters, etc.	19,097	22,500
Customers' accounting ..	31,015	35,950
Collec. com. and salaries.	37,913	26,994
Sundry expenses	16,418	22,221
Administration salaries ..	20,911	24,813
Directors	15,000	15,000
Auditors	1,500	1,800
General salaries	90,101	96,954
Patriotic, etc.	38,008	34,175
Taxes	128,329	153,180
Insurance	22,436	21,286
Advertising	16,347	18,367
Arc lamp expenses	44,515	50,393
Cost of merchandise sold	175,927	247,691
Merchandise expenses ...	54,758	63,502
Com. dept. expenses	57,487	75,610
Total (1915).$2,574,620	$2,718,228	$3,343,043

In comparing the foregoing figures it will be noted that there are large increases in the expenditures for coal and a remarkable advance in the amount paid for gas oil. The wage bill is also a big factor in the rising costs of operation. In fact there are few items indeed in the list which show any reduction.

Following are comparative gross and net earnings since 1905:

THIRTEEN YEARS OF GAS EARNINGS

	Gross Earnings.	Net Earnings.
1917	$4,296,349	$953,306
1916	3,637,805	919,576
1915	3,440,008	865,389
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,961	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,252

The Balance Sheet.

There are some significant changes in the balance sheet which should not pass the attention of the shareholders. Capital stock outstanding has been increased from $4,882,000 to $5,360,700 as the result of the new issue. Advances from the bank have been materially reduced as the result of this new financing, standing at $767,682 as compared with $1,025,241 a year ago. Other changes are not important.

Increasing Demand.

The president, A. W. Austin, in his remarks to the shareholders made some interesting observations regarding the company's activities of the year and the outlook for a continued development of the demand for its products. He instances that there are more gas consumers in the city than there are users of city water. The output of gas has much more than doubled during the past ten years and during the past year an average of 14 new meters were installed each working day. The significant comment is made that the shareholders have nothing to fear from electric or other competition. Mr. Austin sees no reason why the dividends should not continue in the future as they have been in the past. His remarks are given in full in the complete report published elsewhere in this issue.

FACTORY FOR TORONTO.

Palmolive Company Will Erect Building on Natalie Street.

One of the largest permits to be issued by the City Architect's Department, Toronto, for some days is one to the B. J. Johnston Soap Co., or Palmolive Co., Ltd., of George Street, for a new reinforced concrete soap factory to be erected on Natalie St., at a cost of $110,000. The property on which the building is to be erected was purchased last April, part of it from the city, and has a frontage of 307 feet by a depth of 200 feet. The land cost between fifty and sixty thousand dollars.

The new building which will be 200 feet long and 82 feet wide, will at first contain two storeys and a basement, but the foundation will be sufficiently strong to hold six storeys.

AMERICAN FARMERS COME.

Influx Into the Canadian West Continues in Good Volume.

Two important sales of farm lands occurred recently in the neighborhood of Regina. The first of these was the William Jordison farm, seven miles west and three miles south of the city, and the other part of the Bell estate four miles northwest of Regina.

The Real Estate Brokers handled both deals. The Jordison farm, consisting of three-quarters of a section was sold to H. Hanson, of Loreburn, for the sum of $24,000, the larger amount of the purchase price being paid in cash.

Charles Thurston, of Sovereign, Sask., bought two tracts of the Bell estate, consisting of 800 acres of land, at the price of $51 per acre, and paid a large sum in cash.

Real estate men handling farm lands stated there was quite a move in the sale of farm lands. Most of the lands sold recently were sold to American farmers from the middle western states who are leaving their old farms for the Canadian prairies. Incoming American settlers are increasing in number every week according to official returns from the boundary ports and those coming in are bringing large amounts of ready cash, which find their way to savings accounts in Canadian banks.

A TORONTO ESTATE.

Widow Leaves Property Valued at Over $30,000.

Mrs. J. T. Rolph, widow of the late J. T. Rolph of Rolph Clark & Co., Toronto, who died on October 8, left an estate valued at $32,301 and made up as follows:—House Chestnut Park road $15,000; Dominion of Canada War Loan bonds, $5,818 Ontario Government bonds, $501; cash in the Dominion Bank, $2,296; twenty shares in the Maple Leaf Milling Co., Ltd., $1,980; thirteen shares in the Dominion Foundries and Steel Co., Ltd., $702; one hundred shares in the Crown Reserve Mining Co., Ltd., $240; ten shares in the Canadian Pacific Railway Co. $1,480; interest in the estate of her late husband, $4,500.

MOLSONS PROFIT THE BEST UNDER WAR CONDITIONS

Figures Indicate Tendency to Preserve Strong Liquid Position.

EFFECTS OF WAR BUSINESS

Increased Advances for the Purpose of Financing Orders for Needs of the Armies—Substantial Increase in Total Assets.

The financial statement of the Molsons Bank, the first in the list to make its appearance, contains an epitome of the current history of Canada financially. The profits which stand at $615,514, are, as was expected, the best since 1913, when they were $694,779, and exceed those of 1916 and 1915 by $33,158 and $59,321 respectively. All through, however, is evident the policy that has been imposed by war conditions and the heavy demands on the banks to assist the government in financing many of the big buying campaigns in this country for munitions, flour, and other commodities. Thus, instead of satisfying the demands for credit they have been governed by the need for keeping their liquid assets as strong as possible.

The assistance that has been rendered to the government is reflected in the increase of government securities from $1,573,527 to $5,208,896, or $3,635,269. On the other hand the central gold reserve has been increased from $500,000 to $1,750,000, and liquid assets, including cash, securities, etc., has increased by $4,321,707. The total assets of the bank are $65,780,218; an increase of $5,638,114 during the year, and an increase of nearly $19,000,000 in the last six years. Deposits are up from $45,744,422 to $48,417,972, an increase of $2,673,550, of which $2,284,611 represents the gain in savings account.

The attention that has been paid to strengthening the quickly available assets has resulted in the proportion of cash holdings increasing from 11.6 per cent. of the total liabilities to the public last year to 14.3 per cent. this year, and the liquid proportion from 47.3 per cent. to 50.3 per cent.

Basis of Earnings.

The earnings, considering the conservative policy that was dictated by patriotic reasons, work out satisfactorily from a percentage basis, being 15.4 per cent. of paid-up capital (not allowing for war tax and other special appropriations) compared with 14.6 a year ago, and 13.9 two years ago. The deductions included the usual $440,000 as dividend, 11 per cent. on $4,000,000; war tax of $40,000, Pension Fund $21,308; patriotic funds $15,000, and $75,000 for depreciation reserve, which was omitted last year. In 1914 this amounted to $150,000. The bank circulation has increased from $4,804,730 to $6,653,453. The annual meeting will be held on Monday next.

Following is a comparison of profit and loss figures for the last four years:

	1917	1916	1915	1914
Profits	$615,514	$582,356	$556,193	$608,196
Prev. Bal.	127,619	61,300	67,058	81,932
	$743,134	$643,656	$623,252	$690,128
Less—				
Dividend	$440,000	$440,000	$440,000	$440,000
War Tax	40,000	40,000	25,000	......
Pensions	21,308	21,036	21,452	18,070
Donations	15,000	15,000	......	15,000
Depreciation	75,000	......	75,000	150,000
Total	$591,308	$516,036	$561,952	$623,070
Balance	$151,826	$127,619	$ 61,300	$ 67,058

U. S. RAILROADS.

July Freight Movement Showed Increase of Over 20 Per Cent.

The following statement is authorized by the U. S. railroads' war board: Freight statistics for July, the latest month for which official figures are available, show that the railroads successfully handled 20.2 per cent. more freight that month than for the same period last year. The figures that tell the story of this accomplishment have just been compiled from railroads having 220,054 miles of track, or approximately 85 per cent. of the entire trackage of the United States.

In July last year these railroads gave service equivalent to carrying 27,809,430,998 tons of freight 1 mile, while this year they carried 33,434,368,526 tons 1 mile, an increase of exactly 20.2 per cent.

This great increase in service was rendered with an almost negligible increase in the amount of equipment used. The number of freight locomotives in service in July last year, for instance, was 29,888, while this year the number was 30,277, an increase of only 1.3 per cent.

THE BANK OF TORONTO

DIVIDEND No. 145

Notice is hereby given that a *Dividend of Two and Three-quarters Per Cent.* for the current quarter, being at the rate of *Eleven Per Cent., per annum,* upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the 1st day of December next, to Shareholders of record at the close of business on the 14th day of November next.

By order of the Board,

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
October 24th, 1917.

THE STERLING BANK OF CANADA

The size of our client's business does not determine the quality of our service. We have one quality—the best.

The Weyburn Security Bank

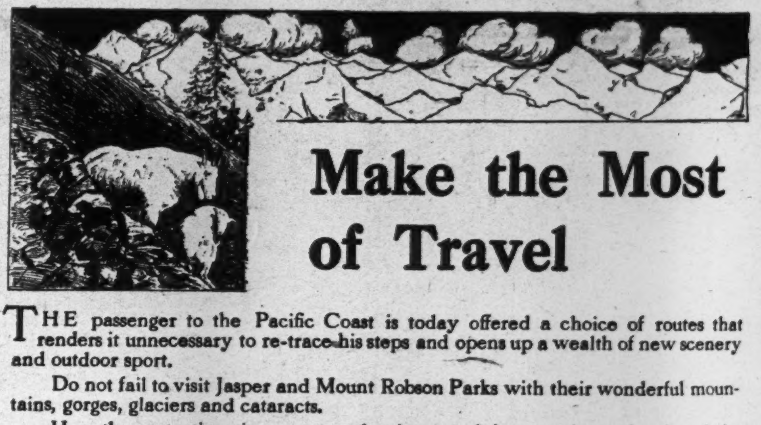
Chartered by Act of the Dominion Parliament.

HEAD OFFICE, - WEYBURN, SASK.

NINETEEN BRANCHES IN SASKATCHEWAN.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted



Make the Most of Travel

THE passenger to the Pacific Coast is today offered a choice of routes that renders it unnecessary to re-trace his steps and opens up a wealth of new scenery and outdoor sport.

Do not fail to visit Jasper and Mount Robson Parks with their wonderful mountains, gorges, glaciers and cataracts.

Here the protection given to game has increased the quantity and reduced the fear of man. Mountain sheep and goat, the most wary of animals, are seen feeding on the hills, and coming down to the railroad in view of passing trains.

For further particulars see our booklet "The Canadian Northern Rockies," or apply to the General Passenger Department, Montreal, Que.; Toronto, Ont.; Winnipeg, Man.

CANADIAN NORTHERN RAILWAY

When there is no Will

the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.

Whether you have little or much, make a will—and make it NOW.

Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.

THE UNION TRUST CO., Limited

TORONTO

HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

PICCADILLY
DIEU ET MON DROIT
LONDON
Smoking Mixture
The art of blending tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture.
2 OUNCES 25¢

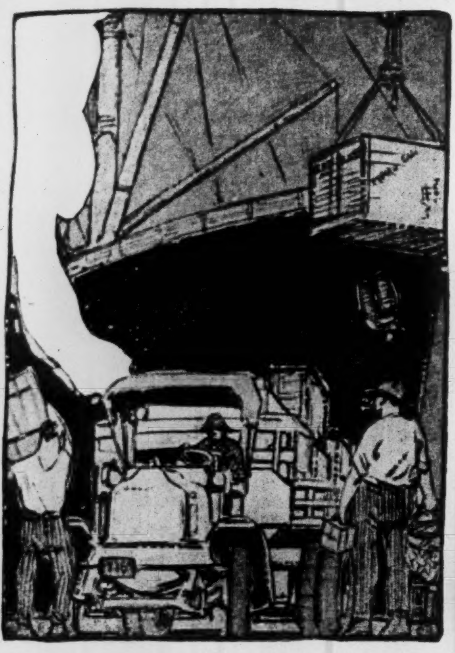
SPECIAL
SECTION
Pages 17 to 40

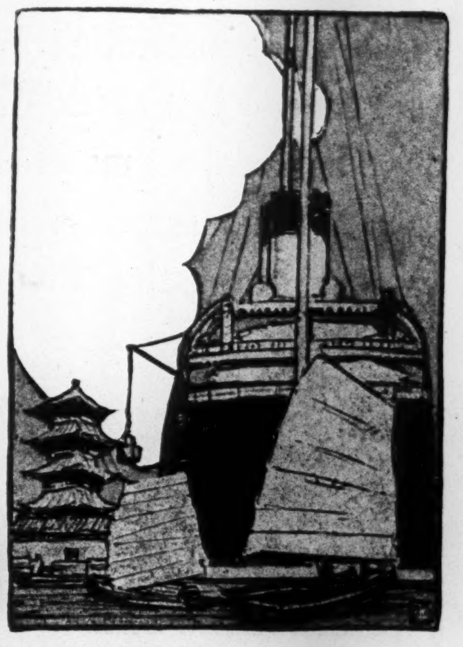
THE FINANCIAL POST
OF CANADA

THE CANADIAN
NEWSPAPER
FOR INVESTORS

VOL. XI. Single Copies, 10 Cents. PUBLICATION OFFICE, TORONTO, NOVEMBER 3, 1917 Annual Subscription $3.00. No. 44

Industrial Situation Now and After the War





PREPARING TO MEET AFTER-WAR BURDENS

Ease With Which Business is Being Carried on a Cause for Short-sighted Optimism—War Ignores Business Principles.

By Professor **ADAM SHORTT, C.M.G.,**
Late Commissioner of the Civil Service and Eminent Political Scientist.

IN what follows it is assumed to be indispensable that the war must be won by the Allies, in the sense of obtaining reliable guarantees for the future safety of civilization. To this end we must be prepared to sacrifice heavily our immediate welfare and personal interests as a condition of the freedom and safety of our country for the future.

There is nothing to be gained by ignoring the seriousness of the sacrifices to be made and the heavy burdens to be assumed. But there is much to be gained in seeking to realize the exact nature of these sacrifices and burdens and how best and most speedily a return to normal conditions may be accomplished.

It is not, of course, easy to exactly forecast the future, for even with a fairly accurate knowledge of most of the fundamental factors, it is difficult to determine their relative forces in complex practical situation. Moreover, the policy and actions of ignorant and misguided individuals or groups wielding considerable power, may upset all normal and reasonable calculations and give a disastrous turn to situations otherwise fairly easily dealt with.

Misleading Prosperity.

Among the chief causes of a short-sighted optimism as to our financial burdens and business conditions after the war, are the ease and certainty with which business has been carried on in all the lines either directly or indirectly connected with the war. There are sure and profitable markets for all the necessaries of life and for a very large range of war supplies. As men of business are aware the great difficulty is not in finding markets, but in finding the means of production. There is a shortage of efficient labor, of material, particularly that partially manufactured, of equipment for production in the way of buildings and machinery, and of the means of transportation, especially shipping.

The chief cause of this condition is that the governments of all countries, in one form or other, have become the dominant factors in the whole economic mechanism. They determine the primary markets for men, food, clothing, fuel, manufacture, transportation, etc. In doing so they attract capital directly to their treasuries in vast quantities, and indirectly determine its flow and application in still greater quantities, directly they employ it to command the services and products which they require, and indirectly through the manufacturing, commercial and financial houses, transportation companies, etc., with which they deal. All this induces a steady and ultimately a very great increase in values. It increases the wages of labor, the prices of goods, the profits of manufacturers and middlemen. It inflates the volume of money and of the instruments of exchange, and leads to the natural but superficial idea that the growing statistics of bank deposits and discounts and of clearing house returns indicate an increase of wealth in the country, instead of chiefly an increase in prices and more voluminous exchanges through the peculiarities of war finance.

Business Principles Ignored.

But behind all this is the central fact, which is of most significance for the economic future of Canada, that the business not only of Canada itself but of the world has ceased to be done either directly or indirectly on the old and well recognized basis of carefully considered profit and loss, with the risks and cautions incidental thereto. The governments of the world, which are the centres of our revolutionized war business, are not purchasing on the basis of buying to sell again and therefore looking carefully to future returns to justify their purchases. The governments of the world are buying only for destruction, not for production or sale, and are paying for their purchases, not out of the returns from the disposal of them, but entirely out of taxes and borrowings, chiefly borrowings.

Owing to their urgency and the consequent necessity to buy at almost any price, government purchases dominate the markets and determine prices even where they do not take more than a moderate percentage of the supply. Where the whole supply is more than covered by the normal demand a very considerable single, though still minor demand, if urgent, will inevitably rule the market. There being no halting in the government purchasing and no return currents while the war lasts, purchasing and producing for government account set the pace for all prices in the lines affected. Nevertheless the relatively large amounts taken for domestic use give occasion for the urgency of the government demand to manifest its influence, tending to further advances in prices. It is here that the vital obligation to economy and saving presses upon us, and in a wider sphere than is commonly recognized. The unnecessary or wasteful use of substitutes for war supplies no less than of those supplies themselves, diminishes their available quantity, thus tending to increase their prices to competitive rivalry with the articles for which they are substitutes.

War-Time Profits.

It follows from the conditions as noted that all supplies required for

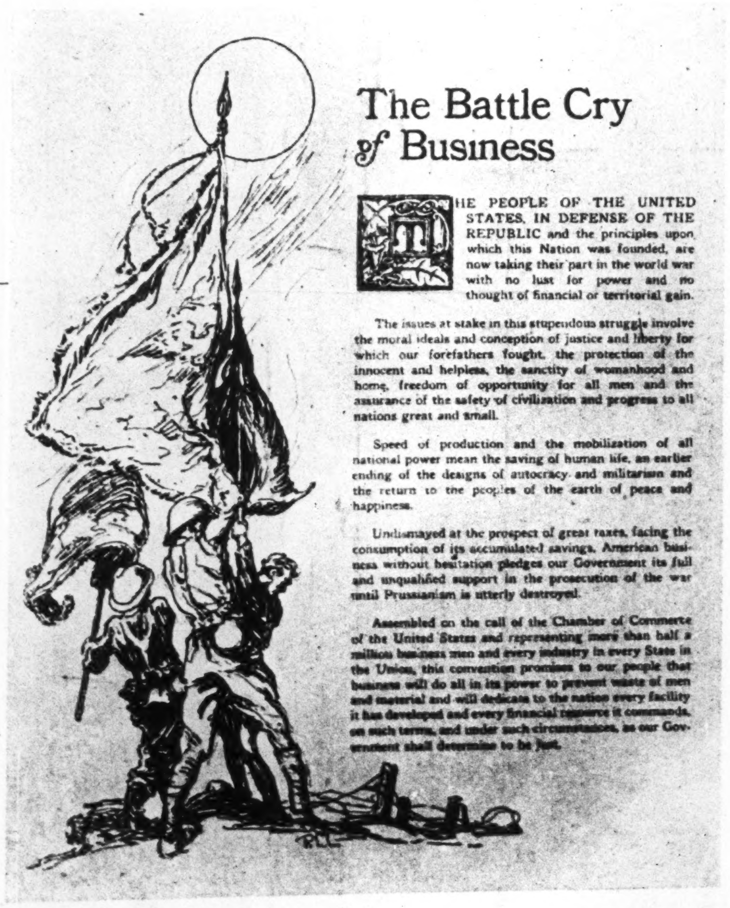
Continued on page 22.

The Mission of This Special Number

THE special mission of this Industrial Number of THE FINANCIAL POST is to throw additional light on the existing situation as regards the nation's manufacturing activities and the developments and readjustments which may be expected to follow the war. In any such foreview, under conditions which are absolutely unparalleled in the world's history, and with the cataclysm which has been responsible therefor still a present and unmeasurable factor, it is naturally difficult to set down definite predictions. However, there are in all such situations, opinions, theories and conclusions by men who are in a position because of their special training or vocation to deal authoritatively with such matters, which views may be followed with reasonable assurance by the business public.

In the pages which follow will be found the opinions of a number of prominent Canadian economists and captains of industry who have been making a study of the situation in a broad way. They have contributed their views on the ground that it is in the public interest that those, who, by their special talents or experience, are in a position to forecast the probable trend of events, should do so. In many cases the articles bear the names of special contributors—names which should have an especial appeal to readers of THE FINANCIAL POST. In others, staff and contributing members of our own organization have dealt with industries with which they are constantly in touch.

In covering the different fields the interests of the investor have been particularly kept in mind and we hope that in the information given there will be found much to dispel that apprehension which the recent trend of the stock market and the readjustment of security values might naturally arouse on the part of those who do not appreciate that there are many technical influences at work which do not necessarily apply to the intrinsic value of the investment.



The Battle Cry of Business

THE PEOPLE OF THE UNITED STATES, IN DEFENSE OF THE REPUBLIC and the principles upon which this Nation was founded, are now taking their part in the world war with no lust for power and no thought of financial or territorial gain.

The issues at stake in this stupendous struggle involve the moral ideals and conception of justice and liberty for which our forefathers fought, the protection of the innocent and helpless, the sanctity of womanhood and home, freedom of opportunity for all men and the assurance of the safety of civilization and progress to all nations great and small.

Speed of production and the mobilization of all national power mean the saving of human life, an earlier ending of the designs of autocracy and militarism and the return to the peoples of the earth of peace and happiness.

Undismayed at the prospect of great taxes, facing the consumption of its accumulated savings, American business without hesitation pledges our Government its full and unqualified support in the prosecution of the war until Prussianism is utterly destroyed.

Assembled on the call of the Chamber of Commerce of the United States and representing more than half a million business men and every industry in every State in the Union, this convention promises to our people that business will do all in its power to prevent waste of men and material and will dedicate to the nation every facility it has developed and every financial resource it commands, on such terms, and under such circumstances, as our Government shall determine to be just.

In Canada, as in the other countries supporting the Allied cause, business and industry have rallied to the flag. The production of munitions, food and other necessities of both military and civilian populations, their transportation and distribution, have become almost as important factors in the great campaign as the actual activities on the firing line.

The illustration expresses the sentiment of the great war convention held at Atlantic City, and typifies the attitude of business in the great effort.

TARIFF AS A FACTOR IN MAINTAINING PROSPERITY

Eight Strong Arguments Advanced for the Upholding of the Present Protective Policy After the End of the War.

By **S. R. PARSONS,**
President Canadian Manufacturers' Association and the British American Oil Co.

IN every corner of the civilized world, business men are cudgelling their brains trying to figure out the trade situation that will confront them when the war is over, in order that, as far as practicable, they may be preparing themselves to meet it.

They know in a general way that the probabilities point to an era of intense production and high prices. Large areas that were once thickly populated have been completely devastated, and the reconstruction of those areas alone will call for enormous quantities of building material, engineering supplies, farm implements, household furnishings and general merchandise. The military and naval requirements of the opposing forces have been on such a stupendous scale that the whole world is being drained of its immediately available supply of materials. These materials, moreover, to be effectively used, must be in a large measure destroyed, or at any rate employed in a manner that will prevent their subsequent conversion to peaceful uses. Meanwhile the growing shortage is being accentuated by the steady transfer of men from ordinary forms of production to military service or to the manufacture of war supplies. At a low estimate world is compelled to support itself to-day with a working staff of 40,000,000 less than usual, with the probability that it will be permanently deprived of the services of at least half that number by the wastage of war.

Elemental and obvious facts such as these naturally encourage the hope that for some time to come profitable markets will be found for almost everything the world can produce. Should that prove to be the case, Canada will undoubtedly share in the general prosperity, so long as no untoward conditions arise to prevent her doing so. Her agricultural products will clearly be in demand, providing ocean tonnage can be secured to move them, and providing they are not legislated out of European markets by excessive import duties. Subject to the same qualifications, her manufactured products should also be in demand, providing she can continue to secure her necessary raw materials.

But the war has taught us that we cannot count for very long upon the continuance of any set of conditions, military, legislative or economic. It is always the unexpected that is happening, and it is this element of uncertainty, more than anything else, that is causing business men to pursue a policy of extreme caution with regard to plans for after-the-war trade expansion.

Industry's Difficulties.

Whatever makes for stability is an aid to business building. Whatever tends to unsettle is an obstacle to progress in that direction.

From the commencement of the war to the present time, Canadian manufacturers as a class have had many and serious difficulties to contend with. Materials have advanced to unheard-of values, and quotations are offered only for immediate acceptance. In some cases they are no longer obtainable at any price, because their export to Canada has been embargoed. Skilled workmen, whom it has taken manufacturers years to train, have been suddenly lost to them. Deliveries have been retarded, sometimes prevented, by interruptions to transportation, both incoming and outgoing. Taxation has been increased in various ways till it has become almost a burden.

With such odds against them, our manufacturers would instinctively have pursued a policy of retrenchment and awaited a return to normal conditions, had not powerful incentives to effort been offered them, first in the opportunity to be of real service to the Allied cause by supplying equipment that was urgently required, and second in the large orders at high prices which that urgency made available for them. Under these stimuli they applied themselves with zeal to a task that otherwise might easily have defeated them, with the result that they have expanded their plants and multiplied their output, usually with profit to themselves but always with benefit to labor and the country generally.

Judging by Figures.

What their activity has meant to Canada's welfare can best be appreciated by a comparison of export figures. For the fiscal year preceding the war, our export of goods ordinarily classed as manufactures amounted in round figures to $57,400,000. For the fiscal year ending March 31 last, it amounted to $447,400,000. Higher unit values are of course partially responsible for the increase shown, but not to as great an extent as larger volume. In contrast to the above our export of products usually classed as agricultural rose from $198,200,000 in 1914 to only $373,400,000 in 1917. Our manufacturers, therefore, have done their full share in contributing to the prosperity of their country.

With the declaration of peace, however, they will enter upon a period when the call of duty will not sound so loudly and when military urgency will give place to competitive bargaining as a basis in fixing contract prices. That period unfortunately will probably witness a continuance of the discouragements that have recently acted as a brake upon progress. Materials, owing to a world-

Continued on page 21.

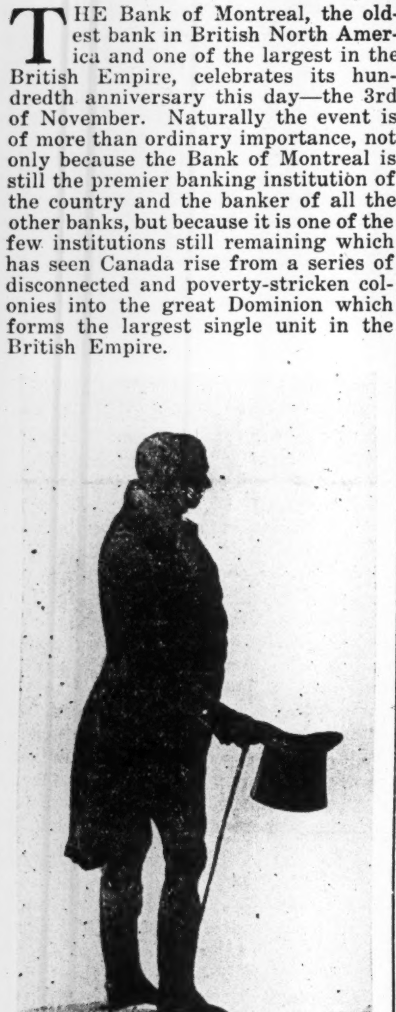
CENTENARY OF THE BANK OF MONTREAL

1817

The Remarkable Story of Canada's First and most Famous Banking Institution. Founded just after Waterloo before the time of Ocean Steamships—Vastly Interesting History Recalled

1917

THE Bank of Montreal, the oldest bank in British North America and one of the largest in the British Empire, celebrates its hundredth anniversary this day—the 3rd of November. Naturally the event is of more than ordinary importance, not only because the Bank of Montreal is still the premier banking institution of the country and the banker of all the other banks, but because it is one of the few institutions still remaining which has seen Canada rise from a series of disconnected and poverty-stricken colonies into the great Dominion which forms the largest single unit in the British Empire.


Robert Griffin, First Cashier, 1817.

It was three years after the war with the United States and two years after the battle of Waterloo that the Bank of Montreal was founded. This was when George IV. was Regent and two years before Queen Victoria was born.

Previous to the founding of the Bank of Montreal only one financial institution had attempted to do business in Canada. This was the Canada Banking Company, organized by British Merchants in 1792. It soon went out of existence and has left little more than its name and one of its five-shilling notes as proof that it ever existed.

WHEN THE BARTER SYSTEM PREVAILED

THE need for some such institution as the Bank of Montreal had long been felt. There was a great deficiency of specie, and the coin which was in circulation included not only American, British and French, but also Portuguese and Spanish, and the ratios of their exchange into Colonial money were subject to frequent variations. The difficulties were further increased by the fact that the British Government were rapidly retiring their Army Bills, issued to meet the expenses of the war of 1812 with the United States. Moreover the country was too poor to afford the luxury of a gold or silver circulating medium of its own. Under these circumstances domestic trade was carried on principally by barter. Country shop-keepers were compelled to give long credit to the settlers, who almost invariably made payment in farm products, which the shop-keepers in turn shipped to Montreal in settlement of their accounts.

Nine merchants of Montreal, therefore, got together and decided to found a bank. Owing to the difficulties of obtaining a charter, they signed Articles of Association. This was on June 23rd, 1817. These Articles provided that the capital stock of the Company should not exceed £250,000 currency divided into 5,000 shares of £50 each. Directors were to be elected when £5,000 had been paid in, and were to commence the business of the Bank, but not to issue any Bank notes, or discount any bill or note until £25,000 had been paid in on account of stock subscription. The institution was to be known as "The Montreal Bank." The nine merchants mentioned were John Richardson, George Garden, George Moffatt, Thomas A. Turner, Robert Armour, James Leslie, Horatio Gates, John C. Bush and Austin Cuvillier.

THE FIRST DIRECTORS

BY August the 17th, 1817, the subscriptions had reached £5,000, and a meeting was then held at which the following were elected the first Directors of the Bank: John Gray, (who became the first President); Thomas A. Turner, John Forsyth, George Garden, George Moffatt, Horatio Gates, Frederick W. Ermatinger, John McTavish, Austin Cuvillier, James Leslie, Hiram Nichols, George Platt, and Zabdill Thayer. John Gray was an Englishman by birth and was a North-West trader; the other Directors were mostly members of the leading business houses of Montreal.

Business premises were rented on St. Paul Street, then the leading business thoroughfare of Montreal, and the only street in the community which was lighted at night.

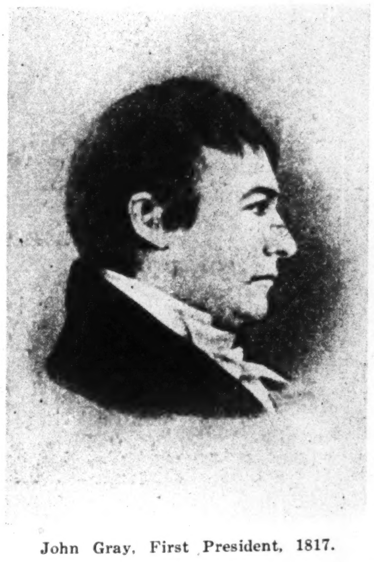
The bank opened its doors for business on November 3rd, 1817, with a staff of seven namely, Robert Griffin, Cashier; Henry Dupuy, Accountant; Henry B. Stone, Paying Teller; James Jackson, Second Teller; and a discount clerk, as bookkeeper; and a porter. The cashier's salary was fixed at £300.

The bank had to print its own bills. A rolling press was installed, and the plates were engraved in the United States through the agency of the Phoenix Bank at Hartford, Conn. These plates are now preserved in the Bank of Montreal's Museum, together with some of the first bills printed. The bills were printed on one side only and bore vignettes of local scenes, one of them showing the Montreal prison, as a specimen of the finest building in the city. The appearance of the bills did not satisfy the Directors, and plates for subsequent issues were imported from England, together with the paper to print them on, which paper was ordered to be similar to that used for the notes for the Bank of England.

As the majority of the first Directors were Scotsmen it was but natural that they should to a large extent follow the example of the banking institution in their native land. One of the outstanding features of the Scotch system was the maintenance of numerous branches by a few banks of large capital, and the Montreal Bank in adopting that feature laid the foundation of a great factor in the remarkable elasticity in circulation for which the Canadian banking system has received so much praise.

THE PRESENT HISTORIC SITE

FROM the first it was recognized that the rental of bank premises was a temporary expedient, and within a few weeks of commencing business the directors acquired two lots of land in St. James Street for a bank building. Here, facing what is now the historic square known as Place d'Armes, they erected a building of their own. The head office still faces this square on a site adjoining the one on which the original building was erected. No more appropriate site could possibly have been chosen. The square is today the very heart of the business section of Montreal. The fine Corinthian facade of the bank building, weather beaten and darkened by time, looks out upon many reminders of the romantic history of early Canada. In the midst of the square arises Hebert's heroic figure of Maisonneuve, founder of Montreal. On the opposite side is Notre Dame, the largest church in the Dominion and one of the oldest in foundation. Adjoining the church is the ancient head building of the seminary of St. Sulpice, whose founder, the saintly Olier, had a vision prophetic of Montreal before any white man had set foot there. Within the limits of the square Maisonneuve is said to have fought his most terrible battle with the Iroquois and to have killed their chief with his own hands. Here in the parish church Dollard and his companions paid their vows before going to meet death by holding back at the Long Sault the horde of Indians who were in their way to exterminate the colony of white men. Tablets on buildings in the square and its immediate vicinity keep alive the memory of many pioneers whose names became famous in the history of North America, and tell us that here lived Cadillac the founder of Detroit, and there Sieur Du Luth who explored the Upper Mississippi and gave his name to the city of Duluth.


John Gray, First President, 1817.

PROSPERITY FROM THE FIRST

FROM the first the bank prospered, the shrewdness and diligence of the Directors and officials overcoming extraordinary difficulties. At the end of the first year the Directors felt themselves so firmly on their feet that they proposed to the Governor of Canada, the Duke of Richmond, who controlled the British moneys, that the bank be given the right of supplying the government with such funds as might be needed. This was agreed to, and thus was inaugurated the connection between the bank and the government, first of the two provinces and later of the Dominion, which continues to this day, has brought honour and profit to the bank and has been of the greatest value and service to the Canadian nation.

A PERIOD OF STRIFE AND STRESS

THE life of the early Charter covered a period which proved to be full of difficulties. The province of Lower Canada was in a very backward state. It was not only torn by internal dissensions but was engaged in what proved to be a long and bitter quarrel with the province of Upper Canada. Attempts to solve the outstanding differences by a union of the two Canadas served only to accentuate the difficulties. Other difficulties besides those incidental to this period of unrest and popular suspicion resulted from the fact that as the provinces were extremely dependent upon the mother country, the commercial disturbances and financial crises which occurred in England were reflected in Canada.

Nevertheless the economic development progressed steadily. In the first eight years after the foundation of the bank more than 20,000 immigrants settled in Lower Canada and some big public works were undertaken, including the building of the Lachine Canal to which work the Bank of Montreal gave important financial assistance.

The province continued to be the theatre of bitter political strife, and conditions became so threatening, that in 1834 the bank transferred its specie to the Citadel at Quebec for safe keeping by the garrison of British soldiers stationed there. Finally a rebellion took place under the leadership of Papineau. It was speedily extinguished by forces of regulars and volunteers, and the first to raise their volunteer force at the outbreak was the President of the bank, the Hon. Peter McGill, who was appointed to the Presidency in 1834. The difficulties were by no means solved, and a second insurrection, also promptly put down, occurred in 1839.

UNION OF THE CANADAS

THE political situation destroyed public confidence in the security of property and arrested development. From then until 1841 when the provinces of Upper and Lower Canada were united, the Bank of Montreal was compelled to husband its resources with the greatest care.

One of the first measures of the new Canadian parliament was to pass a general banking law. The Bank of Montreal obtained a new Charter and was authorized to increase its capital to £750,000. A rapid recovery in the economic conditions of the country took place. The tide of immigration again flowed up the St. Lawrence. A large number of public works were undertaken, including the completion of the Welland Canal and the improvement of navigation betwen Kingston and Montreal, and between Montreal and Quebec.

Sir Vincent Meredith, Bart., President.

Fortified by the new Charter and encouraged by the revival of trade and immigration, the Bank of Montreal entered upon a considerable development of its branch system opening offices at Toronto in 1842, and in all the principal centres of trade and industry in Quebec and Ontario.

THE EFFECT OF FREE TRADE.

THE expansion of the bank's business overtaxed the capacity of the head office building, and the present site was purchased on which the structure which forms the nucleus of the present building was erected. Following this another period of severe depression set in, brought about by the fear of hostilities between Great Britain and the United States over the Oregon question, by the fact that in 1847 a severe strain was placed upon the country by the arrival of more than one hundred thousand Irish, of whom many were suffering from fever, and nearly all of whom were destitute, and finally by the fact that the mother country adopted a free trade policy which destroyed a partial monopoly enjoyed by Canada under the former protective system in timber and other natural resources. The bank in common with the other banks of the country sustained very considerable losses. It was obliged to diminish its reserve fund by £60,000 and to decrease its dividend.

A PERIOD OF DEVELOPMENT

RECOVERY, however, was comparatively rapid, and after 1850 there was a period of vigorous growth. The Allan Line, which has done so much for Canada, started its ocean steamship service in 1852, and about the same time the Grand Trunk and Great Western Railways were begun. These railways were instrumental, under the reciprocity treaty with the United States, in helping Canada to market large quantities of surplus products, and prosperity was general. The first through train from Montreal to Toronto was operated in 1856, by which time the Bank's capital had increased to £1,000,000.

The Hon. Peter McGill retired in 1860, after having served as President of the Bank for 26 years. He is stated to have been perhaps the most popular Scotsman who ever lived in Montreal.

In 1864 the Bank entered on an hitherto unexampled prosperity under the management of Mr. E. H. King. It was as a result of his negotiations that legislation was passed by which the Bank of Montreal, alone of all the Banks of Canada, agreed to act as agent for the circulation of the notes of the Province, and to surrender the right to issue its own notes. The Bank was appointed agent for the redemption of the Government notes—a portitable and honorable position.

EFFECTS OF AMERICAN CIVIL WAR

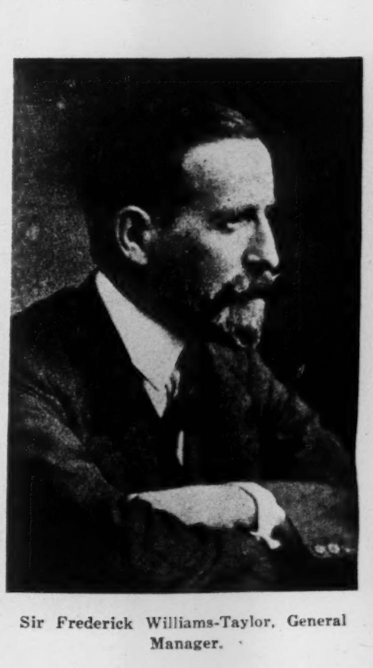
WHEN the American Civil War disturbed the economic life of the whole continent, the Bank of Montreal had a plentiful supply of gold at its disposal, and Mr. King was quick to take advantage of the opportunities of lending this at highly favorable rates in New York. So great were the profits at this period that dividends of 10 per cent. were paid, and the reserve account was increased to $1,500,000.

Its 50th year found the Bank prosperous and honored. It had nearly one-fourth of the paid-up capital of the two provinces, and it was the Government's depository and financial agent. It was in this year that Confederation was brought about—a development which enlarged the scope of the Bank, and immediately enabled it to open up branches in Nova Scotia and New Brunswick and later in the North-West.

As early as 1853 the Bank opened an agency in New York and in 1870 it established a branch in London, at 27 Lombard Street, with the object of extending the trade of the Dominion. Since then it has attained a unique position among the Colonial banks in London. It has been instrumental in negotiating public loans on behalf of the Canadian Government, municipalities, and other borrowers, amounting to millions of pounds. In December, 1892, the Bank was formally appointed fiscal agent in London for the Dominion Government of Canada. Its chief London office is now at Threadneedle Street, E.C. There is an important subbranch in Waterloo Place, Pall Mall, where the requirements of Canadian visitors are given special attention. The latter office has proved invaluable to Canadian troops overseas.

HELP TO CANADIAN PACIFIC RAILWAY

THE period immediately prior to the building of the Canadian Pacific Railway, and during the progress of that important project, was one full of anxieties. It was characterized by wild speculation in Western lands, and a collapse that left many prospective millionaires paupers. A bright ray of promise showed through the gloom when the Canadian Pacific Railway was completed in 1886. The bank's resources had been to a marked extent behind this project.


Sir Frederick Williams-Taylor, General Manager.

From 1890 to the present day there has been a recurrent ebb and flow of prosperity in Canada, but through it all the country has continued to develop—more especially during the past decade. With its development, the Bank of Montreal too has developed.

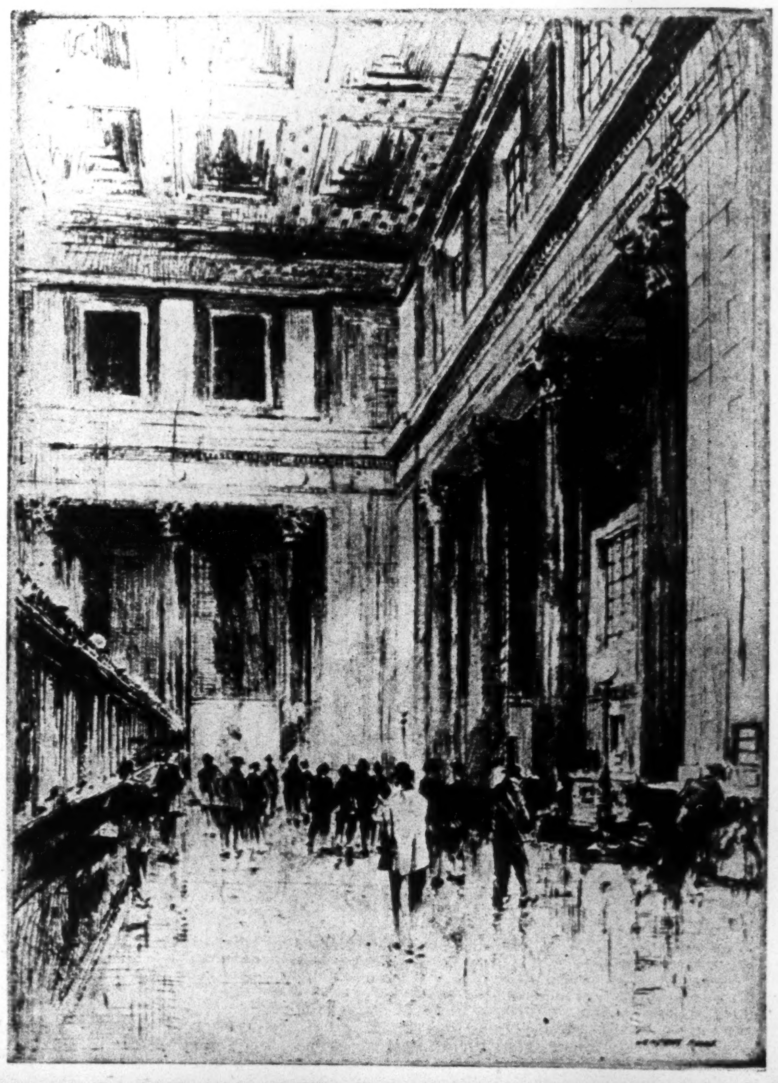
PRESENT DAY CONDITIONS

THERE was a period of retrenchment following the completion of the big railway schemes a year prior to the war, and another land boom came to an end when the stream of English capital ceased to flow into this country in the big volumes necessitated by the building of two new transcontinental railways. This was about a year prior to the war. Under war conditions there was a rapid recovery. Wonderful crops, and pressing demands for all the country could produce in the way of food and munitions, changed Canada's position in international trade from that of a debtor in 1913 to the extent of $140,000,000 to a creditor in 1916 to the extent of $150,000,000 by which amount our exports exceed our imports. The increase in the national wealth is demonstrated by the fact that public deposits at the end of the Bank's year in 1914 amounted to $197,000,000, while in April, 1917, they exceeded $324,000,000.

The Bank was in a strong positio at the outbreak of the war, and it position has been made stronger ever day that the war has lasted.

It may be added that 48 per cent. of the Bank's total male staff, or 67 per cent. of those of military age, have enlisted. Of these over 50 have been killed, and over 100 have been wounded or made prisoners.

—Official State


Interior Head Office Building, Montreal. Corner Main Banking Room.

TARIFFS--And the After-War Adjustments

A Forecast of the Probable Steps to be Taken Which Will Directly Affect Canadian Industry—England to Maintain Protection for Revenue — United States to Lower Tariff Bars — Canada Will Have to Meet External Conditions.

By Professor JAMES MAVOR, Ph.D.,
Professor of Political Economy in the University of Toronto.

I AM asked to survey the probable course of tariffs in various countries when the long delayed peace renders possible the resumption of unimpeded commercial relations. At the end of the year 1916, in surveying in this journal the economic field as at that time, I ventured upon certain speculations based upon the hypothesis of the complete victory of the Entente powers. Since that date such a victory has become practically certain. The collapse of the Russian offensive does not appear to have benefited the Central Powers to any very material extent in a military, political or economic sense.

We may therefore with reasonable confidence assume that the kind of peace which will be attained will be one in which the character of the international commercial relations after the war may be freely determined by the contracting countries and will not be subject to the dictation of Germany. This must be assumed, otherwise there can be no fruitful discussion of the matter. It must also be assumed that in all the belligerent countries, including Germany and her allies, and especially in these, there will be a long period of financial stringency. The postponed obligations arising out of the war must be liquidated by means of taxation and other sources of revenue. The amount of indemnities or compensations and the method of payment of these must be a cardinal factor in international finance for many years; but it is not expedient at the present time to form any estimate of the amount or character of these indemnities.

Apart altogether from the questions arising out of indemnities, the situation is sufficiently complicated. It is clear that all known forms and probably some new forms of direct and indirect taxation must be utilized by all the belligerent countries in order to provide the funds necessary for the liquidation of the war. There are very definite limits to the total amount which can be taken from the national income by the public authorities. So also there must be a due proportion between direct and indirect taxation otherwise the economic reactions result in the diminution of the national income with resulting deficiency in the tax-revenue.

Capital and Taxation.

The financial policy of Great Britain for nearly a century has involved the collection of the bulk of the tax revenue by means of direct taxes. It is almost certain that the limit beyond which it is impossible to go in such collection has been reached. Further extension of the principle of a progressive income tax might conceivably result in the undue exportation of capital beyond the reach of the British tax collector, and also outside of the available wealth of the country. If for example the tax upon income reaches even nearly a confiscatory point, the capital yielding the income will find investment elsewhere than in the United Kingdom, and those to whom the capital belongs will emigrate if necessary in order to protect it.

Protection for Britain.

Granted that such a point may be reached in the process of finding resources for the liquidation of the war, it is clear that other forms of taxation must be found in order to obviate consequences disastrous to the revenue. Resort to a tariff for revenue by the United Kingdom is thus very highly probable. By this means the difficulties of imposing a wages tax may be avoided and at the same time, the burden of taxation may be more equitably distributed over the community and a less disturbance may be caused to the growth of industry.

While it is true that a universally imposed progressive tax upon all incomes of whatever amount would be the fairest and perhaps the least expensive tax to collect, yet the view that is held of all taxation is determined by custom and custom is extremely difficult to alter. The British income tax has been a tax upon the middle classes, and with the proportionate increase of working class incomes and decline of middle class incomes, the point has probably already been reached at which the burden can no longer be borne exclusively by the middle class. It must be shared by the wage earning people.

A tax upon wages would nevertheless be extremely unpopular, and the voting power of the wage earners would unquestionably be exercised against any project of this kind. No tax upon land could possibly be imposed adequate to the enormous requirements. If all existing rents were confiscated there would be still an immense deficit.

From these points of view, therefore there seems no other course for Great Britain than the adoption of a tariff for revenue, as a necessity of the situation. The construction of such a tariff for so highly developed a manufacturing country as Great Britain will be a matter of extreme difficulty. The imposition of a tariff upon raw materials might cripple industry and yet the finished products of some industries are the raw materials of others. The imposition of a tariff upon foodstuffs might handicap Great Britain seriously in the competition for international trade. It should, of course, be realized that for Great Britain foreign trade is indispensable. She could not maintain her population without it.

Not merely because of theoretical objections to a policy of protection; but on purely fiscal grounds, therefore, the new British tariff must be a tariff for revenue. A protective tariff would at once compromise the foreign trade of Great Britain and render no service to the public finances.

As to United States.

The case is otherwise with the United States. In that country the tariff has hitherto been the principal source of revenue. Direct taxation has been in general avoided. There the tariff has been so highly protective as to compromise foreign trade. This has not been so injurious to the United States as it would have been to a smaller country. It has long been the boast of the United States that external protection covered a free trade area as large as the whole of Europe.

But the industrial possibilities of the United States now outrun the powers of consumption within the States themselves. During the period before the war, over-production was checked by combinations and the inevitable fall of prices was regulated by these to a certain extent. The "dumping " of goods abroad which was rendered possible by the relatively high prices obtainable in domestic trade was an occasional and doubtful expedient.

The embarkation of the United States into the shipping trade is an indication of the increasing urgency of the extension of foreign trade and the necessity which after the war will arise to find freights for the shipping must increase the inducement to activity in foreign commerce.

But foreign commerce is reciprocal. A highly protective country cannot continuously engage in an extensive foreign commerce. Among the impulses towards domination of markets by military force on the part of Germany was the coincidence of high protection and the necessity to find these markets.

We may thus anticipate on the one hand a considerable relaxation of protection on the part of the United States and on the other the necessity of raising an increasing portion of the revenue necessary for the liquidation of the expenses of the war by means of direct taxation. The consequences of such action may be increased economy in production and increased competition of the United States in foreign commerce. It may be that in certain branches of trade, this consequence may react upon other countries and in some of them there may even be a disposition to protect their manufactures from this competition by means of increased tariffs.

Canada's Position.

In Canada, we are in the position of having to adjust our tariff to external conditions. We require a tariff for revenue; and in certain branches of our industries we may require to maintain a tariff for protection. In any case, however, it appears to be absolutely certain that we shall have to resort more and more to direct taxation in order to meet the fiscal necessities. Up till the present time, our financial methods have been very haphazard. We have relied upon being able to borrow when we wanted money, and our place in the Empire has been exploited to the fullest extent in order to procure funds.

For the future we shall have more and more to rely upon the credit we are economically entitled to rather than that which we have been able to secure by rhetoric about our greatness and our services to the Empire. In the struggle for capital in the world market, we shall have to put down our tangible securities and we shall have to show that we are conducting our business in a business like way. If we are to nationalize railways and other enterprises we shall have to change our methods of management, or our creditors will change them for us.

The general conclusion of these reflections is that "after the war" tariffs must be predominantly for revenue, although in certain contingencies as suggested there may be reactions towards protection. More particular conclusions are that in Great Britain, there is likely to be a relaxation of direct taxation, while in the United States there is likely to be an increasing adoption of that method of raising a revenue.

INDUSTRIAL JAPAN.

Striking Progress Made Since Outbreak of the War.

Since the outbreak of the war Japan has been making very striking progress in the domain of industry, and when peace is restored, she will find herself equipped with manufacturing powers she did not possess in 1914. Her developments in the field of industry is merely what might have been expected in view of the conditions brought about by the war. The Japanese are a most enterprising people, and they were quick to take advantage of the closing down or the diversion to military uses of manufacturing plants in belligerent countries. Her supplies of certain classes of goods formerly obtained from Europe were suddenly cut off, and to make good the deficiency she was obliged to manufacture at home various articles formerly procured from abroad. At the same time, she saw that the war afforded her a chance of supplying to neutral markets goods that in peace time they had been accustomed to obtain from Europe. It need hardly be said that she applied herself with characteristic energy to both tasks, the accomplishment of which was powerfully assisted by the fact that her active participation in hostilities, though valuable, did not appreciably deplete her labour market. Perhaps the one serious difficulty encountered was that of maintaining continuous and adequate supplies of essential raw materials.

LABOR--Changes Ahead

Hardships Will be Experienced in Readjustment After the War — Highly-paid Artisans Are Not Saving Surplus Wages, and Will Feel the Pinch.

By JAMES G. MERRICK,
Secretary of the Employers' Association of Toronto.

PROBABLY at no period in the history of Canada has labor been so generally and profitably employed as at the present time. This situation has arisen from the demand for the two main staples that Canada is in a position to furnish, viz., agricultral products and certain classes of manufactured goods. Heretofore it was exceedingly difficult for Canadian manufactured products to find a market outside the Dominion. Export trade was being very slowly and very laboriously developed, and only on lines where the particular manufactures were almost standard in this country and where there was a demand for similar goods in foreign markets. This can be illustrated by the citation of the foreign trade in agricultural implements.

At the outbreak of the war, there was a decided setback to Canadian industry and a year almost elapsed before any particular demand was felt in Canada. During the past two years, however, the demand for certain classes of manufactured goods has been of the most extraordinary nature. Articles which heretofore had been manufactured only for the domestic market were called for in huge quantities for export. This fact, together with the detachment of so many men from the manufacturing industries, afforded unlimited opportunities for work for practically every skilled and unskilled man in the country. In consequence of this demand for labor, wages have steadily mounted, until to-day it can be generally stated that unskilled labor is obtaining a wage that skilled labor only could have obtained before the war. Workmen at present are secure in the receipt of these wages by reason of the fact that the trend of trade both from the United States and Canada is towards Europe and that practically very few competitive lines of manufactures from Europe are in competition with domestic manufactures.

Effect on Raw Materials.

The high price of labor has necessarily created a high price in raw materials entering into the products of labor so that, although labor has been receiving a far higher wage than would have been dreamed of three years ago, it is still compelled to pay a proportionally higher rate for all commodities that enter into the list under the cost of living.

The question naturally arises as to what will be the result of a rearrangement of the wage and factory system on the termination of the war. In my estimation there is going to be very great hardship experienced among the workers in practically all lines of industry, and this distress will be greater as the level of wages is forced up by the overbidding for labor under existing circumstances. Each advance in the wages of labor simply means an advance in whatever labor has to purchase, if this is not a result, the worker, by reason of obtaining a greater reward for his labor than at any previous period, is expending his surplus earnings in directions that will not result in permanent good.

Wages Being Spent.

There has been a great increase in the purchase of luxuries and non-necessaries, which shows that, instead of saving a considerable portion of the surplus of wages, these moneys are being squandered. When the reconstruction period comes and the present unreal condition of living suddenly collapses, the worker will have a long way to fall and will be compelled to endure great sufferings before he will be able to adjust himself to the lower wage scale which will of necessity result.

It is quite true that the prices of commodities will fall with the drop in wages but another problem faces the manufacturer as well as the worker—that is, the competition of foreign goods which will be set free from all European countries and which will easily surmount our slender tariff wall. We will not only have to reckon with former competition but with the production of those tremendous factories constructed in practically every European country for war purposes which will be used after the war in an effort to recoup the warring nations for losses sustained during the present struggle. Just as fiercely as the battle is being contested now for world supremacy in arms, will the struggle be waged later on for supremacy in or the maintenance of trade advantages. Canada will be compelled to face a competition many times more severe than at any previous time in her history and the only protection that the workers can look for is the protection of the tariff and the difficulty of placing foreign goods on the domestic market.

Agricultural Outlook.

In agriculture the country has been exceedingly fortunate and wonderfully prosperous during the period of the war. The convenient location of Canada and the United States to the main theatre of war has enabled agriculture to dispose of its products quickly and without undue loss—a condition that other agricultural countries have not enjoyed. The surplus of wealth which has come to the agricultural portion of the population has not been dissipated in the same way as has the surplus of wages among the industrial workers. The farming classes have benefited as much if not more

Continued on page 20.

MONEY--And Some Effects of Inflation

War-time Financing Has a Direct Effect Upon the Relatively Lower Value of Currency—Some Factors in the "High Cost of Living" Which Are Not Generally Understood by Those Who Are Directly Affected—Some Lessons From Other Wars.

By IRVING FISHER, of Yale University.

HOW are the facts about the high cost of living to be explained? We find in popular discussion a great variety of causes assigned for the high cost of living, such as speculation, the middleman, foreign demand, destruction from war, labor unions, short hours of labor, trusts, the tariff, cold storage, longer hauls on railroads, marketing by telephone, the free delivery system, the individual package, the enforcement of sanitary laws, the tuberculin testing of cattle, the destruction of tainted meat, sanitary milk, advertising, unscientific management, the elimination of renovated butter and of "rots" and "spots" in eggs, food adulteration, extravagance, concentration of population in cities, impoverishment of the soil, the displacement of the neighborhood farmer, the fact that farmers' wives no longer compete in butter making or poultry raising, drought, and of late, hoarding of housewives. While some of these alleged causes are important factors in raising particular prices, not a single one of them has much to do with the general level of prices.

Money Dominates.

There is a fundamental common cause underlying the general upheaval and that cause is money. Few realize that the quantity of money has anything to do with the price of a commodity, still less that the quantity of money has anything to do with the general level of prices. Since we talk always in terms of money and live in a money atmosphere, as it were, we become as unconscious of it as we do of the air we breathe.

Even the war, which is at bottom the chief reason for the high cost of living, has, the facts show, raised the price level far more through monetary inflation than through causing a scarcity of goods. Throughout history and even during war, the present one being no exception, changes of the price level have, in general, corresponded to the changes in the monetary circulation and its credit substitutes.

Price Movements and Mining

Whenever there have been great outpourings from mines, following discoveries of the precious metals used for money, as during the sixteenth century after great stores of precious metals had been found in the new world, after the Californian and Australian gold mining of the fifties and after the Alaskan and Cripple Creek mining of the late nineties, we have found rapidly rising prices.

Prices and Paper Money.

Again, whenever there has been artificial monetary inflation through issue of paper money,, such as occurred during the French Revolution, during our own early colonial history, during the American Revolution, during the Napoleonic wars in England, during the American Civil War and during the present war in Europe, there has been a rise of prices in such paper standard countries.

On the other hand, while such money is being withdrawn, as during the seventies in the United States, prices have fallen.

Prices and Monetary Standards

Then there is a remarkable family resemblance between the price movements of all countries having the same monetary standard. The price movements in all gold standard countries are strikingly similar, such as in the United States and England since 1821, excepting 1862-78, when United States was not on a gold basis. So, too, the price movements in silver countries show a strong likeness, as India and China from 1873 to 1893.

Contrasting Standards.

Again, countries with different monetary standards show corresponding divergences in their price movements. Thus during our greenback days, 1862-78, the price movements in this country were unlike the movements of foreign prices.

We find also a great contrast between gold and silver countries. Speaking roughly, we may say that between 1873 and 1896 the price level in gold countries fell 25 per cent. and in silver countries rose 30 per cent.

Close Agreement.

Finally, we find that when there are violent changes in the quantity of money there are corresponding changes in the price level. The present war supplies such a case. The quantity of money in circulation month by month and the monthly index number of prices run strikingly parallel. It was in August, 1915, that the quantity of money in the United States began its rapid increase. One month later prices began to shoot upward, keeping almost exact pace with the quantity of money. In February, 1916, money suddenly stopped increasing, and two and a half months later prices stopped likewise. Similar striking correspondences have continued to occur ever since, with an average lag between the money-cause and the price-effect of about one and three-quarters months.

But it is not only money as we commonly think of it which affects the price level. In order fully to explain price movements we must take into account credit currency, the so-called "money I have in the bank," which we pay out in cheques, and which changes relatively to money. We must further take into account the rapidity of circulation of both true money and deposit currency, and finally, we must take into account the amount of trade. We find that the price level changes in the same direction with money and deposit currency, and their rapidity of circulation, and in the opposite direction from the volume of trade.

From 1916 the quantity of money in circulation in the United States, outside of banks, was 21 billion dollars; its velocity, 24 times a year; deposit currency, 11.8 billion dollars; its velocity, 60 times a year; the price level, 128 per cent. of the price level of 1909 as the base; the volume of trade, 595 billion "units" (each unit being what a dollar would buy in 1909).

The war has caused inflation in Europe in two ways. First, by causing the issue of irredeemable paper money, which is usual in war times; and second, by bringing about an enormous increase in deposit currency through war loans. Paper money inflation has been a big factor in the rise of prices in Russia and Germany, although the two causes mentioned are closely connected, especially in Germany, which has issued paper money on the basis of war loans.

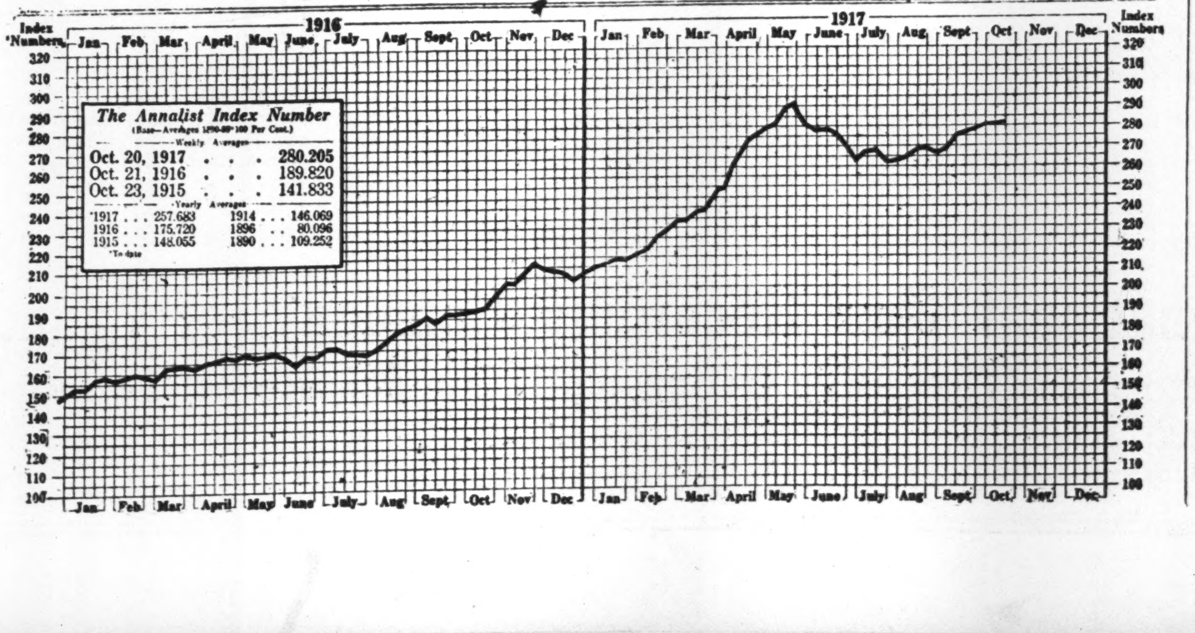
But as important as has been the issue of paper money, as a cause of inflation, the situation in the present war is in large measure unique and without any real precedent in former wars, because of the important role played by deposit currency, especially in England and France. While there has been in England no rupture of the tie between paper and gold, there has been, nevertheless, real inflation, and this inflation has been largely in deposits or in deposit currency associated with the enormous loans by which the war has been four-fifths or five-sixths financed.

In the United States the inflation has been thus far chiefly through the import of gold from abroad. In a nutshell, the war has drained us of goods and flooded us with gold; so goods are high in gold.

Inflation From War Loans.

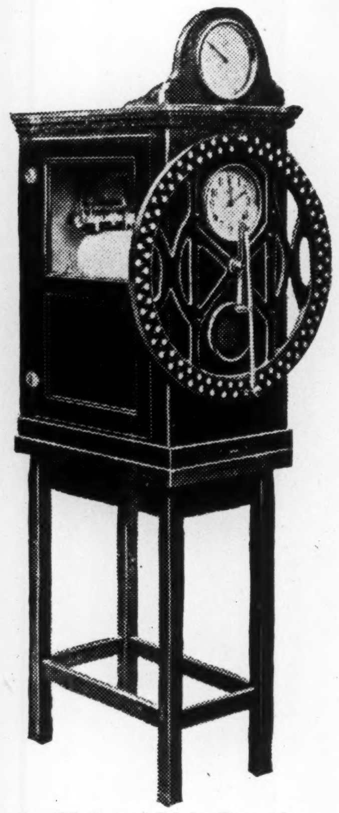
From now on we shall feel the war loan inflation as well. Financing the war by loans when the subscribers have no real surplus to lend to the Government really amounts to the same process as issuing paper money. Both inflate the currency, drive up the cost of living and place the real burden of war on those of relatively fixed incomes, including wage-earners.

Curve of the Cost of Living

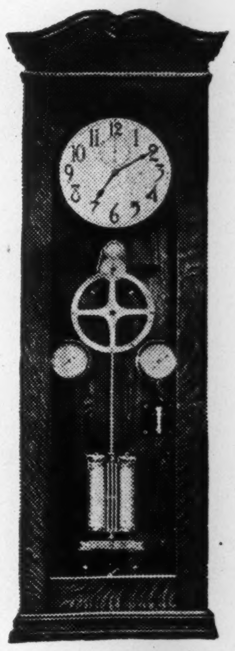


"TIME—Men do not waste Time—Time wastes men—see that you use Time well lest he use you ill indeed"—Bacon.

A SUGGESTION TO THE BANKERS AND FINANCIAL MEN OF CANADA



A Modern Dial Recorder. Each employee his own timekeeper. Record is printed, unchangeable, inaccessible.



An International Master Clock. Controls by electricity all the clocks, program devices, etc., in a large plant, insuring absolute uniformity and accuracy of time.

YOU men, often called upon to finance the industries of Canada, should be cognizant of what is probably the greatest leak in any plant: Time lost yet paid for. The pay-roll is the largest annual "purchase" most plants make. Yet it lacks the needed safeguards in many plants.

Raw material is weighed, measured and carefully checked by the inch or by the pound—yes, often by the ounce, yet we find many pay-rolls running into thousands of dollars a month being made up by antiquated methods—in fact by systems that are obsolete.

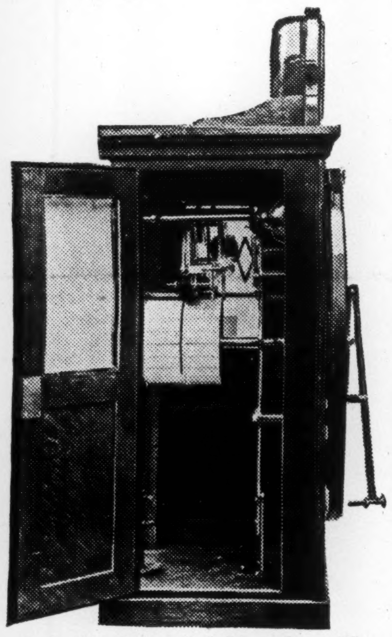
The most successful and most modernly managed plants to-day see that the original pay-roll entry is PRINTED—and printed by the employee himself. This eliminates the "human element" from the time-keeping system, and checks the little likes and dislikes which creep in with the book-and-pencil method of keeping time records. Thus many disputes are avoided, there are no dissatisfied employees, there is no lost time, there is no padded pay-roll.

LABOR AND PROFIT

The manufacturer makes his profit from the labour he buys and pays for, and which is used in changing raw material into finished product. His profit does not come out of his raw materials as such, aside from occasional speculative ventures.

In the four arrivals and departures of the employees, daily, and there are often six—it will be no exaggeration to say that each employee will easily lose two minutes per movement—unless the time of coming and going is PRINTED automatically and unchangeably.

If, say, 100 men in a factory lose only two minutes each "arrival" and "departure" daily, it means 44 minutes per week, or 4,400 minutes for these employees. This is 74 hours per week—at say 40c—meaning lost time of $29.60 weekly or $1,540 in the year—out of net profits. This is 6 per cent. on over $25,000, a pretty stiff price for doing without a time recording equipment—and we have not touched on production loss.

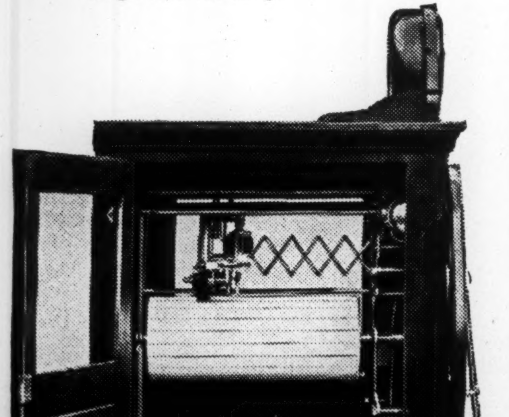


A double-drum dial Recorder. The two drums show yesterday's time record and to-day's. Yesterday's may be removed, while the employees are using to-day's drum. Very convenient where the force is large and shifting.

An International Card Recorder. The card racks, at each side, for the "Ins" and "Outs" are not shown. The employee takes a card from the rack, pushes it into slot, records time, and places card in opposite rack. The record is infallible and accurate. The presence of the cards in the racks shows how many employees are in or out at any given time.

So we say in looking for leaks in Manufacturing Plants you are financing, you should familiarize yourself with the Methods of Recording the Employees' Time.

Again—modern plants to-day use Cost Recorders from which they secure a printed record of the labour cost of each job. This shows the difference between the labour time purchased and the productive time used. This difference has many times met failure. An International Cost Recorder shows the exact working time used on each job. This is "productive" labour. The amount of non-productive time for which the employee is paid can readily be arrived at, and included in the overhead.



Shows a modern dial Recorder with a weekly or bi-weekly drum. This record is removed only at the end of the set pay period.

The International Time Recording Co. is the largest maker of Time Recording devices in the world. The Canadian plant is the only one of its kind in Canada, which means a saving of 25% to 42% to the Canadian buyer—being the duty on imported goods.

Our Master Clocks, Time Recorders, Cost Recorders, Secondary Clocks, Time Stamps, Program devices, etc., etc., are made in Canada with Canadian capital, by Canadian workmen, and, wherever obtainable, Canadian materials are used.

Users of International Time Recorders are numbered in thousands amongst the most progressive plants in the land. Millions of dollars in wages are constantly being checked by International Time Recorders—the greatest known money-saving device in the market.

We have many interesting facts about the importance of a modern Time Recording system, also some very interesting pamphlets on the subject. We will be glad, indeed, to send these to you if interested.

An International Cost Recorder. Also used for piece work. Stamps the exact time at which a given job was commenced and finished. Also does something very much more valuable: makes clear the difference between productive and non-productive labour time in any plant.

The Pay-Rolls On All Government Controlled Plants Are Checked By International Time Recorders

The International Time Recording Company, of Canada, Limited

Factory and Executive Offices: 270 Dundas Street, Toronto, Ont.

FRANK E. MUTTON
General Manager

Also at Montreal, Winnipeg
and Vancouver

LABOR—MANY CHANGES.

Continued from page 19.

than the industrial classes; have not felt the same requirement for goods; have been able to live to a certain extent on the production of their own farms and have all acquired surpluses which will put them in a very advantageous position at the termination of hostilities.

The increased area under cultivation and the cost of tilling it has been entirely defrayed out of present profits. It will, therefore, be easier for the agricultural section to maintain its position as there will still be a demand for the surplus of their products after the war. It can be established that the position of the agricultural worker, as well as of the farmer, will not be so severely menaced as will that of the industrial worker. There will, however, be a heavy shrinkage in the price per bushel of practically every part of farm produce.

In connection with stock raising the depletion of practically all the animal reserves will keep meat at a very fair figure even after the war and until such time as the shrinkage will have been made up of stock production. This will likely have a beneficial effect on the fisheries, as the low price of labor resulting on the conclusion of the war will enable fish products to be marketed at a very reasonable rate.

In Wood Trades.

In connection with timber and its products, during the first two years of the war and even up to the present, the lack of building operations interfered very materially with all branches of the wood industry. There has probably been no product in Canada that has suffered less fluctuation than wood. Not only was it difficult to ship abroad but the increasing shortage of vessels and the high freight rates made its export almost prohibitive. There is, therefore, a good outlook for wood products in future as, undoubtedly, there will be a very considerable building campaign after the war, while the waste of wood in the old country for war purposes will have to be replenished from wood-producing countries. Canada can look forward to a very favorable market, both domestic and foreign, for products of the forest.

Previous to the war the mining enterprises, particularly of Ontario, were growing by leaps and bounds. The investment of money in other directions than speculative ventures has caused a falling-off in mining development for the present. The shortage of workmen and the high price of labor have also acted as a brake on mining operations. This, however, has not prevented prospecting and the location of desirable mining properties. Exceptional showings are ready to be placed on the market as soon as conditions are favorable. It can, therefore be regarded as assured that an excellent future lies before the mining workman despite the failure of individual enterprises.

The Munitions Business.

In answer to an inquiry as to the relation of munition factories to industry in general. I may state that although the munition factories have earned huge sums of money for Canadian industry and although the workpeople employed in them have received extraordinary wages, from an economic standpoint munition factories have been a distinct menace to Canadian industry. They have detached workpeople from regular occupations and may permanently impair the efficiency of some of them, while in most cases contributing nothing whatever to the efficiency of others.

The great rewards for labor in these factories have caused a tremendous advance in the wages of all classes in the metal trades. They have been a source of much dissatisfaction among the workers in other branches of trade by reason of the fact that the wages of workers in the latter could not under any circumstances be improved. They have drawn workers from other factories into munition work and have caused embarrassment to manufacturers in practically every branch of trade. While this may benefit the workers immediately, much distress will occur the moment there is a shut-down in these employments. The economic effect on the community is bad by reason of this particular fact, that a certain class of worker is encouraged by high wages to adopt a certain standard of living which his former experience and future outlook will not allow him to maintain. The collapse will be longer and will cause more discontent than the satisfaction derived during the brief period of prosperity.

The effect that universal service will have on the labor market will only be an accentuation of present manufacturing difficulties but will not in itself be a determining factor. The class of men being drawn are men at the commencement of life and they occupy in most cases the position of workers and not directors of industry. Their places can be filled to a certain extent by women and by overtime, which is always necessary where there is a great demand for products or a shortage of labor.

WAR CONTROL--Not Gov't. Ownership

The Steps Which Have Been Taken in Great Britain for Efficient Operation of the Nation's Industries—No Direct Business Management Outside of the Regular Government Institutions — Controlling Labor an Important Problem.

By W. W. SWANSON, Department of Economics, University of Saskatchewan.

MUCH has been said of late in radical circles, both in the United States and Canada, concerning the development of state control in Europe, and notably in the United Kingdom, since the outbreak of war. There is, however, much confusion of thought on this subject. The truth is that, contrary to general opinion in this country, there has been little direct management of business by the governments of Great Britain and France. It is true that the State regulates private business strictly, and supervises the industrial life of the nation to an extent altogether unknown in the past, as far as Great Britain is concerned; but there is practically no direct management of business outside of the regular government arsenals and certain special factories, relatively few in number, built by the government. In view of the intimate relation of government ownership, management, and control of industry to the problems arising under taxation and so-called conscription of wealth, it will be well worth while to examine just what has been done by the United Kingdom along the lines of government management and control of the industrial life of the nation since the outbreak of war.

First of all, it is necessary to draw attention to the condition of affairs obtaining before the outbreak of hostilities. Goods were produced and distributed according to the play of competitive forces—a rise in prices in one direction led to increased production there, and to a diminished output elsewhere. Capital, ever mobile, was rapidly transferred from industry to industry,—from railroads to shipping, and from shipping to manufacturing, and from manufacturing to mining, according to the scale of prices and profits and the demand for products. Goods went to the highest bidder, and were distributed according to the price barometer in the market.

England's wealth had grown so prodigiously during the past century that the majority of the people had accepted with complacency the entire scheme under which wealth was produced and distributed. Even the shock given to the industry of the world at the outbreak of war failed to disturb this British complacency; and much was heard, in the first year at least, of "business as usual" and other shibboleths of like import. A year sufficed, nevertheless, to prove beyond peradventure that business could not be carried on as usual in an unusual world; and that free competition, and the whole laboriously built-up fabric of *laissez-faire*—go-as-you-please philosophy—had to go. It was just here, however, that the English demonstrated again their supreme virtue, a virtue which has given them the leadership among nations—their ability to fit themselves into circumstances and even to bend circumstances to their will. Thus free competition disappeared overnight under the exigencies of war.

The Needs of War.

The people of the United Kingdom realized, as by a single flash of insight, what has not yet dawned upon either Canada or the United States—that in a life and death struggle the necessities of peace become the luxuries of war, and vice versa. It was imperatively necessary to make an intensive examination of the whole industrial field, to the end that there might be a clear understanding of just what were necessary industries, and what those given over to the production of comforts and luxuries. And, what was of equal importance, it was soon discovered that the capitalistic system, so efficient in times of peace, had to be radically changed to meet the unexpected demands of war. As is well known, the capitalistic system is characterized by what the economists call the "round-about process," under which the longest way around has proved the most direct way of satisfying economic wants. That is to say, in simple terms, the main characteristic of capital has been found in its ability to wait for future returns—to be invested in canals, railroads, ships and factories, so that cotton may be sold at a few cents a yard in India, China or Peru, and that the products of the remotest corners of the earth may be brought cheaply to our doors. But armies cannot wait in war time; the time element is all-essential. Therefore, the industrial equipment of the nation must be used in a rather primitive way and applied directly to meet the demands of the day. To do so, however, it is essential to relegate all economic equipment for producing the non-essentials of peace time to background, or to turn it into such shape that it may be used for war work. All this the government of the United Kingdom has done.

Business Men Called In.

It has done it, mainly, by the setting up of what is known as the "Priority Committee," which is directly subservient to the Ministry of Munitions. Like most English institutions, again, it has grown up to meet the needs of the time; and has in no way come about by statutory enactment, or through the working out of any logical scheme or plan. Here again the English have shown that practical genius which is the despair of other nations. At first this Committee consisted of about twenty members, subordinate officials of the Ministry of Munitions, who met daily for about an hour, in an informal way, to discuss their difficulties and problems. And there were difficulties enough and to spare.

It had to be decided, for example, whether steel was to be used for the making of shells, for railway supplies, for materials for trench warfare, for guns, gun ammunition, small arms, aviation, agricultural machinery, machine tools or a hundred and one other objects. Naturally enough, each department thought its needs and requirements of paramount importance; and it required infinite care, mutual goodwill, and harmonious action to achieve success. This informal Committee was presided over, during the first year of its existence, by Judge M. S. Amos, a man of great good sense, subtlety of mind, tremendous driving force and—tact. It is due chiefly to the really remarkable gifts of Judge Amos that the Priority Committee has worked such wonders in the field of British industry. This Committee now consists of 400 members, among whom are representatives from the government arsenals, the private manufactories engaged on government work, and the Board of Trade representing secondary industries engaged upon non-war work. All decisions, except those of major importance, are made by the Committee; and it is rare indeed that an appeal is made therefrom to the head of any department. In other words efficiency in war work has been achieved — departmental jealousies have been eliminated and the vital war work of the nation is driven ahead by combined effort.

It will be recalled that parliament, under the Defence of the Realm Act, has given the Ministry of Munitions the full legal power to control and direct industries for war purposes in the United Kingdom. The Priority Committee, as a subsidiary of the Ministry of Munitions, has equal sanction for enforcing its decrees. Under the Act the Ministry of Munitions has full power:

(a) To require any work in any factory or workshop to be done in accordance with the directions of the government;

(b) To regulate or restrict the carrying on of the work in any factory or workshop or to remove the plant;

(c) To take possession of any unoccupied premises for war purposes.

In actual practice, however, the government gets its work done:

(1) By paying liberal prices to establishments for all work done, while guarding against extortionate prices;

(2) By restricting or forbidding the making of certain classes of goods not needed for war purposes;

(3) By prescribing rigidly the order in which the various classes of work are to be finished and delivered;

(4) By regulating the distribution of the supply of labor and the conditions under which work shall be done.

The Priority Committee classifies economic operations under three heads: (a) direct war work; (b) subsidiary war work, or work necessary for the support of the nation, although not bearing directly upon operations at the front; and (c) all other work. Thus it comes about that when an application is made to the Committee by any manufacturer for a supply of raw materials, it is comparatively easy to direct the order in which his needs will be met. If a demand is made, for example, for 100 tons of steel, the order is marked A, B or C, according to the use to which the steel is to be put. If it is to be used for the manufacture of guns, it will be marked A; if for the replacement of rails, B; if for the manufacture of can-openers or labels, C. It should be observed that there are a great many sub-classifications under each head,—classifications which determine to a nicety the order in which demands for materials will be met. By this scheme, simple in its complexity, the whole industrial life of the United Kingdom is organized for one single, definite purpose—the winning of the war.

Government Regulation.

The government controls British industries in other ways, notably through the "controlled establishments" and "licensed trades." A controlled establishment is merely one in which the profits of the employer have been fixed, and wherein trade union rules have been suspended. The government does not control the work in such factories any more than it does in other private establishments, except through the limitations it imposes upon profits on war work, and upon the conditions under which the labor is performed. The net profits of a controlled establishment are 20 per cent. more than the average amount of net profits for the two financial years completed before the outbreak of war. In special cases, where such a standard would be unfair, a special agreement is made between the manufacturer and the Ministry of Munitions as to the permissible rate of profit to be earned. On the other hand, since trade union rules are suspended in these factories for the duration of the war, all working conditions are regulated by a Committee composed of representatives of the workmen themselves, the employers and the nation. If a workman violates the terms of the agreement under which he has accepted employment, it is not possible for him to secure work elsewhere within a period of less than six weeks.

Controlling Labor.

The carrying on of certain classes of trades, that might conflict with war work, is forbidden except under a license. By issuing licenses to a sufficient number of establishments, and by having the power to prevent the transference of work from one factory to another, the Ministry of Munitions gets a grip upon all important industries. This power is not rigidly exercised, except within narrow fields. Control is secured largely through the control of labor. Severe penalties may be imposed upon the employer who attempts to dissuade a workman from going to any other establishment at the order of the government; and, on the other hand, the workman is penalized, as explained above, if he violates the terms of his agreement. Thus, under this comparatively simple, yet wonderfully efficient, organization of the nation's industrial resources, the United Kingdom has achieved the desired results. To sum up: The government does not directly manage factories, other than its own. It does tell employers what to do; determine order of work; controls the transportation of goods; forbids workmen who are needed for production of munitions to enlist; and forbids all trade except under license. And all the rules and regulations necessary in connection therewith are laid down and enforced by the Priority Committee.

TARIFF AS FACTOR IN MAINTAINING PROSPERITY.

Continued from page 17.

wide scarcity, will remain high priced; the shortage of ocean tonnage cannot be quickly overtaken; while the labor situation may ease up considerably, there is sure to be increased taxation.

Government's Serious Duty.

These indications, coupled with the certainty of an immediate drop in our export trade, point to a probable demoralization of business that will call for very careful handling on the part of our Government. Industry will clearly need all the protection, all the fostering care, we can give it. In such a crisis the maintenance of a sound fiscal policy will be indispensable if our manufacturers are to be tided over the transition from war-time to peace-time production. They will the more quickly recover if liberal encouragement is given them in their efforts to lay the foundation for a permanent overseas trade. But our industries will surely become casualties if, when laboring under so many other disadvantages, they are suddenly stripped of the protection of the tariff and exposed to the withering fires of foreign competition in their own home market.

The Free Trade theorists who are at present clamoring for an allround reduction in the tariff may dispute the reasonableness of these surmises, or, if they admit them, may say that the country will be better off without industries that need so much bolstering. The writer ventures the prediction that there cannot and will not be any material lowering in the tariff in Canada for some years, and supports his prediction with the following reasons:

1.—The remarkable growth that our country experienced under favoring influence of protection prior to the war has clearly demonstrated the soundness of our fiscal policy and marked it out as one not to be lightly abandoned. A Free Trade country would never have attracted the immigration that we have enjoyed and that has contributed so much to our national prosperity. A Free Trade country would never have attracted the capital investment that we have secured from the United States, and that has aided so materially in the development of our resources. A Free Trade country could never have provided itself with the revenues necessary for the transportation enterprises upon which we have embarked and for the proper government of our sparsely settled territory. The people of Canada, by their verdict in 1911, showed that they appreciated the value of tariff protection and subsequent events have only tended to enhance that appreciation.

2.—The protective tariff, and the protective tariff alone, is responsible for Canada's ability to come to the aid of the Mother Country during the present struggle with such abundant supplies of munitions and war material. By means of the protective tariff we had previously secured for ourselves an extensive and diversified manufacturing equipment. When war broke out all we had to do was to adapt it to military purposes. If any hardships had to be endured under the policy which, through long years, built up that equipment for us, they were more than compensated for in the magnificent service which that same equipment has rendered to us and to the cause we are supporting. Of this fact, too, the people of Canada are duly appreciative.

3.—The conclusion of the war will find all the great nations of the world except one more or less exhausted, not only in man power, but in money and materials. The one that will stand out pre-eminently as the master of the situation, both industrially and financially, will be the United States, our nearest neighbor and our keenest competitor. To open any wider for her the door to our markets at a time when all the advantage will lie with her would be suicidal.

4.—The war is teaching every nation to cultivate self-reliance, to become as far as possible self-contained. Tariff protection is the surest means of attaining that object; Free Trade is the surest means of defeating it, for the latter makes a country dependent upon the entire world. Is Canada likely to embrace a doctrine which will soon have lost its only remaining supporter?

5.—A war which is costing Canada a million and a half dollars a day cannot help but add enormously to our debt. That debt must in time be liquidated and it can only be liquidated by our submitting ourselves taxation of one kind or another. Assuming for a moment that we were to dispense with the tariff as a means of raising a revenue, what new forms of taxation could we devise that would give us the same yield with so little friction? Or to put a more pertinent question, what would there be left in the country worth taxing if Free Trade had closed up our factories and driven our workpeople to the United States in search of employment?

6.—Canada will shortly have to face the problem of finding employment for her returned soldiers. A protective policy will keep open for them the door to every kind of employment at remunerative wages, whereas a Free Trade policy will cause them to be lost to us unless they are prepared to settle upon the land.

7.—Upon the termination of the war, it is predicted that there will be a great exodus of people from belligerent European countries, and Canada is fervently hoping that she will secure her full share of that emigration. The Union Government in its manifesto announces that it will pursue a vigorous policy to attract immigration. The history of all such movements shows that people gravitate in larger numbers to protected markets, where employment at high wages is plentiful. Were Canada to adopt Free Trade, she would be employing the surest means of repelling the very people whom it is to her interest to attract.

8.—Upon the cessation of hostilities there will open up for Canada opportunities such as she has never known before to develop her export trade in manufactured goods. The whole world will be in need of supplies of a kind that she can produce; moreover, owing to the surtaxes which many countries will place on German and Austrian goods, there will be a shifting of the channels of trade that will greatly improve Canada's strategical position. Canada can convert those opportunities to her advantage, and so place herself upon the highway to prosperity, only as she enables her manufacturers successfully to meet foreign competition in the home market. If they cannot do the latter, where the conditions should be in their favor, they will have no chance of competing in markets where conditions are equal. The maintenance of our protective tariff will put us in the running for the rich prizes to be had; the abandonment of protection will put us definitely out of the race.

TUNGSTEN.

Remarkable Price Fluctuations Since the War Began.

No metal has had the wide price range that tungsten has encountered since the war began, the current quotation of 25 dollars per unit comparing with normal quotation of 7 dollars and high record figure of close to 90 dollars. It has been a matter of supply and demand, with requirements far exceeding available stocks at one time, but later succeeded by larger production induced by the high prices.

The United States has never figured as a material factor in the production of this metal, practically all the product being imported from South America. Up to June 1st there had been brought into the United States from abroad during the past fiscal year a total of 3,480 tons of tungsten-bearing ore, having a value of 4,601,204 dollars. No comparison can be made owing to the fact that prior to this year the Government kept no separate records of the movement of this metal.

Throughout the West tungsten-bearing deposits have been opened up and profitably worked in some instances and the aggregate production therefrom has gone far to meeting domestic demand.

High-grade tool makers use tungsten very heavily, and under the pressure of their demand after the war started tungsten jumped by leaps and bounds to the equivalent of 5,250 dollars a ton, against a normal price of 420 dollars. This demand has now been very largely met, resulting in quiet conditions now prevailing in the tungsten market.

The Canadian Appraisal Company, Ltd.

Toronto: Royal Bank Bldg. **Head Office: 17 St. John St., MONTREAL** **New York: Equitable Bldg.**

THE CANADIAN APPRAISAL COMPANY, LIMITED, stands to-day the recognized standard authority on values in the Dominion of Canada. It enjoys the confidence and has the endorsement of leading Canadian and English financial interests.

Its standing has been attained by twelve years' of sincere and efficient service. During this time it has appraised several thousand properties of every description, including the most representative manufacturing and public utility plants, municipal properties, mines, farms and fisheries.

Advantage of An Appraisal

Its appraisal is an expert detailed analysis which establishes beyond question both quantities and values. To be authoritative, such analysis must be made entirely independent of original cost records. It is so planned as to show separately the insurable portions of a property as distinguished from the portions that it is not necessary to insure. It is an authoritative exhibit of values existing before a fire loss, and therefore a tangible, satisfactory and instantly available basis of adjustment should a loss occur.

Continuous Service Department

The demands of clients for a continuous service have resulted in the organization of a department to keep the appraisal at all times up to date in line with plant accounts, and to furnish advice and consultation service concerning the application of appraisal information to business requirements.

The appraisal and continuous service are of great practical value as a standard work of reference in the operation of a business. It establishes a sound, authoritative basis of costs and values for operating, accounting, cost finding, taxation, insurance and financial purposes.

REPRESENTATIVE APPRAISALS made by The Canadian Appraisal Company, Limited, for Financial and other purposes.

	No. of Properties
Acadia Coal Company	4
Acadia Sugar Refining Company	2
Algoma Steel Corporation	1
Ames-Holden-McCready, Limited	3
Anglo-Canadian Leather Company	2
Asbestos and Asbestic Company, The	1
Bank of Hamilton	36
Belding-Paul-Corticelli, Limited	3
Berliner Gram-O-Phone Co.	1
Booth, J. R.	1
Canada Bread Company	6
Canada Cement Company	11
Canada Foundries and Forgings, Limited	3
Canada Furniture Manufacturers, Limited	11
Canada Machinery Corporation	5
Canada Malting Company	5
Canada Starch Company	2
Canada Steamship Lines	Various
Canadian Bank of Commerce	74
Canadian Car and Foundry Company	3
Canadian Consolidated Felt Company	3
Canadian Consolidated Rubber Company	3
Canadian Converters' Company	3
Canadian General Electric Company	9
Canadian Locomotive Company	1
Canadian Steel Foundries, Limited	2
Canadian Salt Company	2
Carriage Factories, Limited	4
Chicoutimi Pulp Company	2
Collingwood Shipbuilding Company	1
Corby, H., Distillery Company	1
Davidson, Thomas, Manufacturing Co.	1
Davies, William, Company	4
Dominion Bridge Company	1
Dominion Canners, Limited	62
Dominion Glass Company	5
Dom. Manufacturers, Limited (Caskets)	7
Dominion Realty Company	300
Dominion Sugar Company	3
Dominion Textile Company	10
Dunlop Tire & Rubber Goods Company	1
Eddy, E. B., Company	2
Edwards, W. C., and Company	4
Frost & Wood Company	1
Goldie & McCulloch Company	2
Gordon, Ironside & Fares Company	10
Gutta Percha and Rubber Company	1
Hamilton Bridge Works	2
Harris Abattoir Company	1
Inglis, J., & Sons	1

	No. Properties
Lake of the Woods Milling Company	66
Laurentide Company	1
Lyall, Peter, & Sons Construction Company	1
Macdonald Company, Limited, The A.	10
Maisonneuve, City of	Various
Manitoba Bridge and Iron Works	1
Maple Leaf Milling Company	8
Massey-Harris Company, Limited	1
Matthews-Blackwell, Limited	5
Matthews and Scott	3 fisheries
Merchants Bank	39
Monarch Knitting Company	4
Murray-Kay, Limited	2
McClary Mfg. Company	10
National Breweries, Limited	8
National Brick Company of Laprairie	1
National Iron Works, Limited	1
New Brunswick Telephone Company	Various
Nova Scotia Steel & Coal Co.	2
Ogilvie Flour Mills Company, Limited	4
Ontario Steel Products, Limited	3
Ontario Wind Engine and Pump Company	1
Page-Hersey I. T. & L. Co.	3
Pedlar People, Limited	1
Phoenix Bridge and Iron Works	1
Polson Iron Works	1
Provincial Paper Mills	4
Province of Manitoba	Various
Rat Portage Lumber Company, Limited	4
Riordon Pulp and Paper Company	1
Rolland Paper Company, Limited	2
Royal Bank of Canada	58
Sawyer-Massey Company, Limited	1
Shawinigan Water and Power Company	1
Sherwin-Williams Company of Canada	5
Smart-Woods, Limited	5
St. Lawrence Sugar Refining Company	1
Stand. Chem., Iron & Lumber Company	12
Standard Clay Products, Limited	2
Steel Company of Canada	6
Steel and Radiation, Limited	3
Tooke Brothers, Limited	2
Toronto Paper Manufacturing Company	1
Tuckett Tobacco Company	3
Union Bank of Canada	110
Union Lumber Company, Limited	39
Vaudreuil Dairy and Stock Farm	1
Vulcan Iron Works, Limited	1
Walker, Hiram, & Sons, Limited	1
Western Canada Flour Mills Company	3

AFTER THE WAR--An American View

U.S. Must Prepare to Capture a Foreign Market When Peace Comes to Match the Nation's War-stimulated Industries or Face an Industrial Cataclysm—Some Comment on Foreign Marketing Plans and Possibilities.

By JOHN D. RYAN, in the Nation's Business.

BEFORE the war our volume of manufactured exports was a very small one, comparatively. The government figures show that in the year 1913 something like 50 per cent. of our exports were manufactured products, the other 50 per cent. being raw materials. But in going over the list of manufactured exports, one finds many things that are really war materials.

For instance, in my own business, copper in plates and bars is listed as a manufactured product. It is not. It is simply fit for manufacture. It is a raw product. There are many other things in the same category. Taking those things and putting them where they belong, on the list of raw materials, we find that 32 per cent. of our total exports in 1913 were manufactured, and 68 per cent. were raw.

Of the 32 per cent. when we take out the three items of mineral oils, iron and steel, and harvesting machinery, we have about $350,000,000 worth of manufactured exports left. In other words, taking out the three lines that are more or less dominated by large concerns, concerns that have been called trusts, concerns that have been vilified and been abused for doing things in a large way, we find that there are about $350,000,000 worth of manufactured exports left, in the year 1913, about $3.50 for each head of our population. It is a pitiful showing. I only call attention to it because that is where we begin, when this war is over,—just where we left off in 1913, unless we take such steps to extend our export trade in other lines than the lines that we are properly engaged in manufacturing to-day.

We are making to-day in enormous volume, in the billions of dollars, and employing millions of our men, making machines of war and munitions of all kinds, materials for transportation, all kinds of clothing, and everything that is necessary to fight with. But when the war ends, that demand ends instantly.

What are we going to do to replace it? What is going to take its place in keeping the labor of this country employed? Are we going to drop that business instantly? We are going to be worse off, as far as the end of the war is concerned, now that our government is in, than we would have been had not our government come in. Previous to the entering of our own government into the war, the Allies bought here in large quantities for long periods ahead. They were bound to take these goods whether the war ended or not. Our own government is not going to buy that way. It is going to take the goods when it needs them, and when the war is over, it is going to stop taking them for itself and its Allies. And we must find employment for the millions of men making those materials now, or, if we do not, we may witness the greatest cataclysm the world has ever seen, the greatest disaster to labor and the greatest disaster to the country the world has ever seen. Throw these millions of men out of employment, and while they are waiting for new lines and the development of new business, you will find such distress and disaster in the country as never before has been known.

How are we going to prepare to employ the labor that is now employed in making munitions of war? I can only see one chance to employ it. We will all agree that the domestic consumption will not employ it. We will all agree that the domestic needs cannot begin to take care of it. So we must find markets outside of our own country, and we have to find those markets for the products of peace, for the needs of peace, for the things that people eat and wear and use when they are not at war. How are we going to do it? If we ended before the war with $350,000,000 worth of that kind of trade, what are we going to start with after the war?

We can extend our trade in a very short time to such an extent that we have never dreamed of, providing we are equipped to go to the countries that will need our goods and offer them our goods, in such shape and such way and with such facilities, that we are going to have the advantage over our competitors. We will have the advantage over the competing nations of having the capital. We will have more capital than any nation in the world. We will have the advantage that our labor has been employed in manufacturing rather than in warring. We will have many advantages. But they are advantages that will disappear almost as the mist if we are not prepared to divert the work of the people engaged in manufacturing munitions into making things that we can sell, and unless we can find a market in the countries that markets have not yet been established in, we are not going to be able to sell them.

Studying Foreign Markets.

Take Russia, for instance. Is there anybody so simple as to believe that the Germans who supplied Russia with practically everything that it needed, outside of its own production before the war, are not going to get the Russian trade after the war, with advantages in the matter of price just as well as they got it before? Is there any news from Russia that would indicate that Russia is going to refuse to trade with Germany after the war? Germany has supplied Russia for a generation. If we are not equipped to handle Russian trade and Russian business as well as Germany she will supply it again after the war. How are we going to equip ourselves?

I take Russia as an example. But the whole world, outside of the principal manufacturing nations of Europe, all of Asia, and all of South America, will be in the same category. How is any individual manufacturer, or producer, in this country, or a small corporation, a man doing a business of a half a million dollars a year, going to know anything about the Russian needs? How is he going to know anything about Russian market?

He cannot afford to have a study made; he cannot afford to have transportation facilities arranged. He has not the capital. He cannot develop market enough to do it. But if we can combine a number of the principal manufacturers, in one line, and together develop these needs, together study the situation, we can provide these stocks before they are in shape to handle the business.

And that will apply in all of the other countries, the South American countries, just as well. If we have not that knowledge, and we have not that ability to trade after the war, and we have got to go and fight and start from nothing, we shall be just as badly off as we were before this war. And we will not have France or any other Ally to hold the line for us for a year while we are getting ready.

I do not propose that one moment's time, or one man's labor, or one dollar, shall be diverted from the one single purpose that we ought to have in mind, of winning this war. I do not propose that anything shall be done that will interfere with our present duty, to win the war. But I do propose that our industries, our manufacturers, our dealers in every line, shall study the situation, shall get together, shall work out these problems in advance, and be ready to take advantage of them when the war ends.

As To Legislation.

The situation with regard to legislation, I think, is a favorable one. The House has twice passed what is know as the Webb bill almost unanimously. Day before yesterday it was brought up in the Senate, after a great deal of delay, and a great deal of dilatory tactics, such as unfortunately we see in our legislative halls at times. We are in great hopes that the delay will not defeat the passage of the Webb bill at this session.

The Webb bill simply provides nothing more than that manufacturers and exporters of every kind shall not be bound by our anti-trust laws when they are doing business in a foreign market. It is only a sensible thing. A foreigner is not bound. Nobody ties the hands of the Englishman or the Frenchman or the German when he is fighting in a foreign market; and if our hands are tied by our laws, and we have to do business as we would under the Sherman law in this country, we are at a disadvantage, and we are apt to get licked; we are almost certain to get licked. The Webb bill simply takes the bonds off our hands and lets us go out into a fair fight in an open field, and lets us take our chance, and we are all willing to do that.

There has never been such a commercial struggle since the world began as will take place the day this war ends, and I am hoping that the work of commercial organizations throughout the country in preparing this country to take its part in that struggle has been done. I hope the manufacturers and the producers of all kinds in this country will organize and shape their affairs so that they will be able to take advantage of the opportunities when the war ends.

In asking legislation, we are not asking anything in the nature of a subsidy, or anything in the nature of a protection. We are asking simply freedom. We are asking that we be allowed to do what our competitors, who may be Germans or French or English, or other nationality, may be permitted to do, seek the market and go after it in the same way. Their governments support them and encourage them to combine. Their governments give them every facility, in the way of subsidies and otherwise. We do not ask that. All we ask is that our Government permit us to go out and make a fair fight.

I believe the prosperity of this country after the war is going to depend almost entirely on the size of our export trade. If our domestic trade is the only important trade we have to depend on to keep our people employed, we are going to have serious times. If our export trade is developed as we have the brains and money to take care of it, we should not see any serious falling off in the business of the country for any length of time. On the other hand, with our means, with our opportunities, and with the education we have had in export trade, if we build it up, we ought to find after the war a long period of substantial progress and prosperity.

PRESENT CONDITIONS AND THEIR RELATION TO AFTER-WAR READJUSTMENT.

Continued from page 17.

the war, in any form, are always sure of their market, with substantial returns for the producers and large aggregate profits for the middlemen. Governments and their agents cannot afford to cease buying merely because of an increase in prices. Where labor and capital are able to increase both wages and profits domestic purchasing can, to a large extent, keep pace with this upward trend in prices. Only the unfortunate minority who belong neither to the organized wage earning nor to the profit-taking class, and who cannot otherwise augment their incomes, are in increasing measure the real sufferers and enforced economizers.

So long however as the war lasts and the means of filling government orders are available, the manufacturing, trading, transporting, and financial interests are on a much more certain basis as to returns than during times of peace. Their chief troubles arise from the difficulty of obtaining sufficient equipment and supplies to take advantage of the exceptional opportunities for gain.

A Revolution Approaching.

But when the war is over and the governments of the world cease borrowing and buying for purposes of destruction, and must revert to the very unpopular duty of taxing and economizing to meet the heavy obligations accumulated, the present revolutionized economic conditions must undergo a counter-revolution. The business world must once more revert to a condition in which the opportunity to find labor and the means of production, so difficult now, will be comparatively easy and simple, but the discovery of safe and profitable markets for the sale of the products, so easy now, will present the greatest difficulty.

To very many and especially to those who have not realized what a revolution in economic conditions the requirements of the war have produced, such a situation as that indicated will doubtless appear quite absurd. Conscious of the fact that there are all about us many secondary markets starved and clamorous by reason of the dominating requirements of the war, it seems a most obvious conclusion that when the war is over and the forces of production are released from its monopolizing control, they will immediately turn to meet these other accumulated needs. Thus occupied in bringing neglected supplies up to date, opportunity will be afforded the business world to gradually re-establish normal conditions.

Reaction To Be Expected.

To a certain limited extent this conviction is justified, but it will not carry so heavy a load. As a matter of record, for a limited time after past wars there has always been a period of feverish trade and speculation, which, however, only emphasized the reaction which soon followed. The trouble is that much of the clamorous demand from secondary markets is closely connected, after all, with the requirements and even excesses of the central expenditure; and when these fall off the others fade away also. Moreover, stagnant business and hard times do not imply a general stoppage of trade. Just as a ten or fifteen per cent. increase in demand over available supply will occasion a quite disproportionate increase in prices and feverish speculation, so a ten per cent. surplus of supply over demand will flatten out any market, and an additional ten per cent. surplus will paralyze production and throw many out of employment. This in turn further discourages the market and a heavy reaction in business is in process.

A cautious and conservative spirit during readjustment after the war, and above all the avoidance of a rash glutting of markets under conviction of the necessity to meet a great pent-up demand are essential to a sane and safe recovery and the avoidance of an exaggerated swing of the pendulum from an unjustified optimism to an equally unjustifiable pessimism.

Many are the problems connected with the all important transition from the intra-bellum to post-bellum conditions which call for constant discussion and analysis from many angles. More than sufficient space, however, has been occupied with the suggestions here thrown out on one of the many aspects of the subject.

THE RAILWAY OUTLOOK

An Editorial from the New York Times.

It is good news from "over there" when we read that the German railways are wearing out and becoming unequal to demands upon them. Also it would seem that it is good news when the same conditions are reported of our own railways. How otherwise is to be explained the inaction of those who hold the fate of our railways in their hands while the physical deterioration and financial distress of the railways are reported on every hand? One thing is sure—no part of responsibility for the situation rests upon the railways. They have accommodated themselves to every demand, doing all that is ordered, even to the extent of carrying nearly a million men and materials for building sixteen military cities at half the lawful rate for all business done by land grant railroads. Their earnings are naturally at the lowest when their efficiency and all their costs are highest.

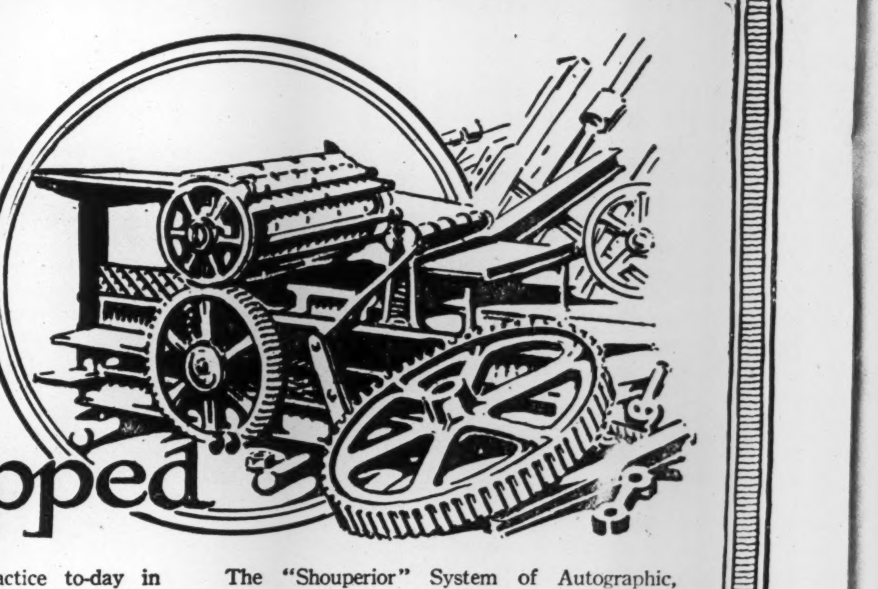
Excuses regarding the misadventures by which this has happened are enraging. It has been foreseen for years, and has been poohpoohed by those who should have seen it first. Even so lately as last June the Interstate Commission shut its eyes to the truth, and said that in this current month it would reconsider its decision, if then it should seem necessary. It would be interesting to know how great the necessity must be to overcome the pride of opinion which alone, it would seem, prevents the Commission's perception of what is so plain to others. It is only an incident in the condition which confronts the country that nineteen railways have lost a billion dollars in the values of their securities. That perhaps might be the concern of the unfortunate security holders, and a cause of joy to some others. But nobody could rejoice that the railways are unable to buy themselves equipment because of the deterioration of their credit as measured by the declines in their securities. Everybody's profits and the country's security depend upon the railways being equal to demands upon them, but their tracks and plants are wearing out, with no sign that their masters will allow them to help themselves.

Responsibility cannot be confined to the Interstate Commission now. Its responsibility dates further back, but the acutest blame falls upon those who dealt the final blow at the latest moment. Congress is to blame for ordering an increase of wages by $62,000,000 without ordering an increase of rates in the same measure. A mere hint to the Commission of what Congress thought about it would have given the excuse which the Commission needs for doing what some of its members know ought to be done. Neither can the country itself escape its share of the blame. The country's offering of billions of Liberty bonds has taken the credit market away from the railways at the very moment that the distress of the railways reacts unfavorably upon the Liberty Loan itself. It is not permissible to ask for a billion of Government bonds for the railways in competition with the Liberty Loan.

The estimate that the railways need a billion a year is out of date. They need more, and they need it for other reasons than the rescue of the shareholders of the railways. They ought to get the relief they need in the form in which they have asked for it. Mere permission to raise their rates in proportion either to their costs or to their efficiency is the appropriate economic remedy. It would be a bitter dose for those who have hardened their hearts to the railways' humble plea. But they should be made to take it for their own good as well as for the relief of the railways. Thereafter the regulators should remember that there are two sides to regulation, and that protection of the railways and the country is a duty as much as protection of shippers. The problem has passed beyond solution by the railways, even beyond the Commission and Congress. It is in the hands of all serious-minded men who have noted what has been done to the railways and their exemplary conduct under their persecution.

The United Cigar Stores Co. will probably increase the common dividend some time next year. No action to this end has yet been taken, but the general understanding exists in official quarters that cash disbursements to common shareholders will be larger in 1918 than they have been in the current year.

Out-of-date machinery, time-worn methods, inefficient systems, have no place in modern business. Competition demands that they be scrapped.



"Scrapped"

It is an established practice to-day in manufacturing to discard or "scrap" comparatively good machinery, if it is found that a newer machine will accomplish better results more economically. Competition demands it. The cost of the new machine, however, is a good investment. It saves its price many times over in reducing labor, saving time and money, in addition to producing a product of better quality.

• • •

Extend the same practice throughout your establishment.

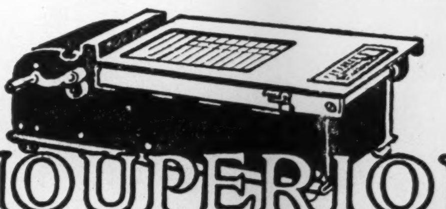
• • •

"Scrap" the time-worn method of handling business records by means of padded forms, duplicating books, loose sheets and carbons. It is inefficient, costly, and unnecessary.

The "Shouperior" System of Autographic Registers, for executing all kinds of business records, wherever they are required in multiple sets, is more efficient. It not only offers greater speed, convenience and economy, but ensures absolute protection of records.

The "Shouperior" System can be adopted for use in any line of business. By manufacturers, wholesalers, or retailers.

Various sizes and styles of registers are made which will produce at a single writing from two to a dozen legible copies of the original entry made by either pen, pencil, or typewriter. Assembling of forms, blanks, carbon paper, etc., is entirely eliminated—the execution of one set of forms automatically preparing the next set, carbon paper and all. In fact, all detail is eliminated except the actual writing itself.



SHOUPERIOR
Autographic Registers
A System for Executing Business Records

Send us Samples of the printed forms for the system you are now employing. We will gladly submit for your approval a plan of operation by means of the "Shouperior" System. This will place you under no obligation. Drop us a line to-day. Literature upon request.

Autographic Register Company of Canada, Limited
ESTABLISHED 1883
Head Office and Factory: 10 St. Peter Street, Montreal, Que.
Branches: LUMSDEN BLDG., TORONTO. SOMERSET BLDG., WINNIPEG

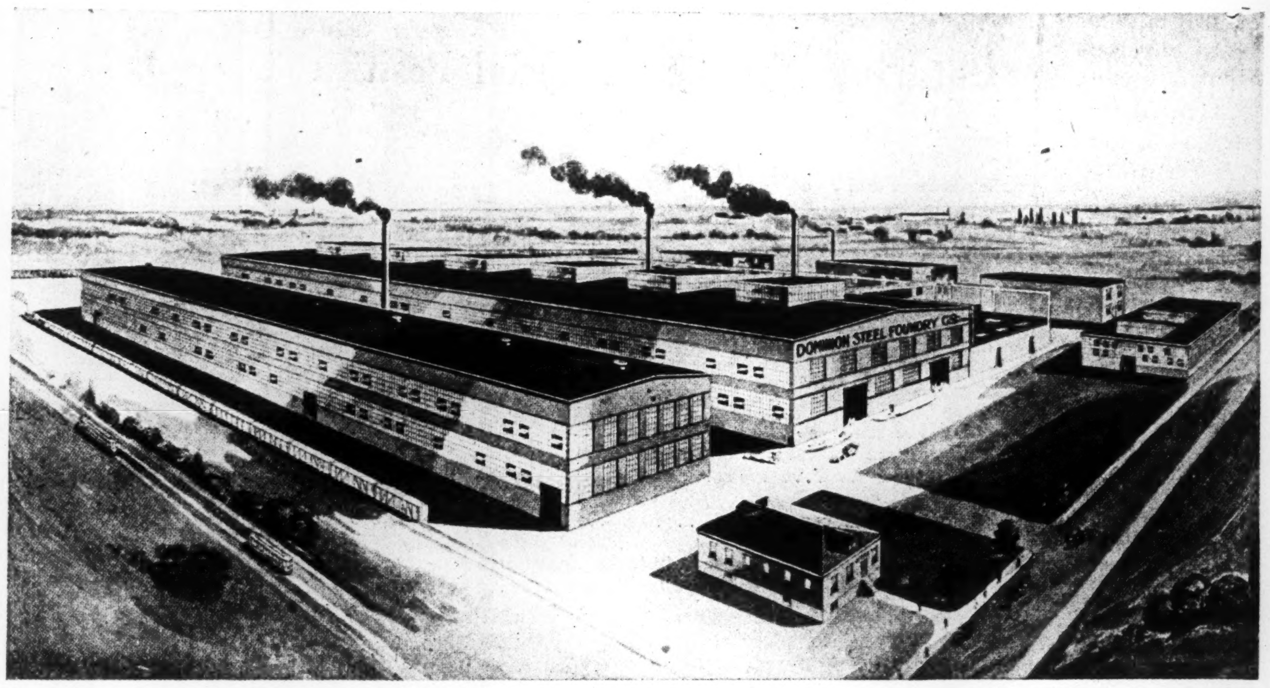
Dominion Steel Foundry Company
Limited

Manufacturers of

Steel Castings

Ship Forgings

Steel Plates


DOMINION STEEL FOUNDRY CO.

DOMINION STEEL FOUNDRY COMPANY, LIMITED
OFFICE AND WORKS, HAMILTON, CANADA

Manufacturers of

Hard and Soft Centre Plow Steel

Rolled Bars

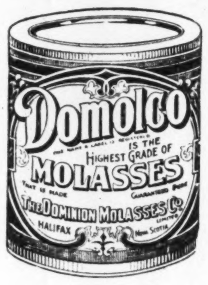
Rolled Forging Billets

Car Axles

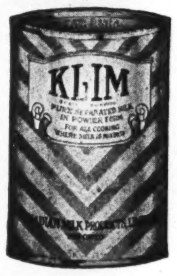
EQUIPPED FOR PROMPT DELIVERIES

E.D.S
TOMATOES

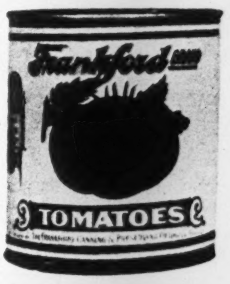
Borden's
Peerless
Brand
UNSWEETENED
EVAPORATED MILK

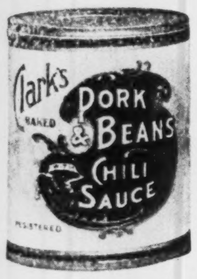

Domolco
MOLASSES
The Dominion Molasses Co.

MEATS THAT SATISFY



VICTORIA BRIDGE
BRAND


Frankford
TOMATOES


Clark's
BAKED
PORK
BEANS
CHILI
SAUCE
MONTREAL

Ginger Bread
Brand

MAPLE LEAF
WHITE
PAINT
TORONTO, CANADA

Gunns
CORNED BEEF
GUNNS LIMITED

PARIS PATE
READY TO EAT

The tins shown herewith—familiar throughout Canada—are made by the A. R. Whittall Can Company, Limited, and indicate a few of the many firms who are using our cans.

We Manufacture

ROUND AND SQUARE CANS FOR MEATS, FISH, FRUIT, SYRUP, PAINT AND VARNISH, ETC.

LEAD AND PUTTY IRONS

A. R. WHITTALL CAN CO., LIMITED

Montreal - Canada

Write to us if you are interested in tin containers of any kind. We are doubling our plant to take care of new business.

CROWN DIAMOND
BARN PAINT

THE SHERWIN-WILLIAMS PAINT
SWP
357

Lowe Brothers
HIGH STANDARD
LIQUID-PAINT

CANADA
PAINT
CP

Stephen's
HOUSE PAINT
VIENNA GREEN

MOORE'S
HOUSE COLORS
READY FOR USE
23
BROWN
PURE LINSEED OIL PAINT
BENJAMIN MOORE & CO.

Assessed value	$2,000,000,000
Annual production	1,152,000,000
Uncultivated farm land	20,000,000 acres
Available timber	19,000,000,000 feet
Available pulp wood	300,000,000 cords
Undeveloped water powers	4,000,000 h.p.

ONTARIO

	Ontario.	All Canada.
Value of farm products	$ 450,000,000	$1,100,000,000
Value of mineral output	52,000,000	138,500,000
Value of timber output	50,000,000	172,500,000
Value of manufactured products	715,000,000	1,390,000,000
Total	$1,267,000,000	$2,801,000,000

Canada's Principal Industrial and Agricultural Province—and Wealthiest

GEOGRAPHY and Nature have combined to make Canada's central province its chiefest one. Ontario alone touches all the great inland seas—Lakes Ontario, Erie, Huron and Superior; besides which Ontario has a salt water boundary — Hudson Bay. Similarly geography has placed Ontario alongside several of the chiefest of the States of United States—New York, Ohio, Michigan, Illinois, Wisconsin and Minnesota. All of which spells trade advantage.

Nature's contributions are immense and varied. They include forests and minerals, fisheries, fertile fields, a climate which will grow peaches, grapes and tobacco; grain areas of the finest; grazing lands of vast extent; water powers of magnitude in abundance, and waterways of great length and capacity.

Ontario's Surpassing Advantages

ONTARIO, by reason of its God-given assets, has become Canada's most populous and prosperous province, and is ever likely to remain so, for no other province of the Dominion can rob or match Ontario in the matter of its position and advantages. The other provinces have their distinctions and promise; but Ontario combines them to a degree unattained by any other.

Beyond what geography and Nature have done is man's contribution. Man has settled in Ontario in greater numbers than in any other province of the Dominion, and has developed the province's resources. Agriculture, for example, has developed in its many forms—cereal-growing, fruit culture, stock-breeding, poultry farming, dairying—beyond the development in any other province; and manufacturing industry has its real home in Ontario. Ontario has an urban development not approached by that of any other province, and this means a cultural development surpassing that of other provinces.

And so the good story might be continued indefinitely. What has been recited briefly and broadly is to impress the reader whose eyes and attention may be wandering or unsettled, to a steadier contemplation of Ontario, as a province to live in, work in, and invest in.

Now let us reduce some of the broad statements given above to finer definition, employing the figures as at date December 31, 1916, or other dates within that year.

Ontario in Industry

In Manufactures Ontario produces more than half of all the manufactured products of Canada, the figures being:

Ontario	Canada
$715,000,000	$1,390,000,000

One Million Dollars Daily from Ontario's Farms

Ontario's agricultural production on an average of several years' returns, approximates $365,000,000, or at the rate of $1,000,000 a day. This estimate is made up as follows:

Field Crops	**$210,000,000**
(or 39% of all Canada's)	
Dairy Products	**40,000,000**
Fruit	**26,100,000**
(75% of all Canada's fruit is grown in Ontario)	
Tobacco	**2,000,000**
Live Stock	**93,000,000**

Resources

ONTARIO includes 230 million acres of land, of which only 13½ millions are under cultivation. *More than 20 million acres of the very finest arable land await the plough.* Ontario is 3½ times as large as the British Isles; 1½ times as large as Texas. From east to west its borders are 1,000 miles apart, and from north to south 1,075 miles. Timber licenses have been issued for only about 10% of the 200,000 square miles of wooded land. Extensive forests of pine and other woods are yet untouched. Practically all minerals excepting coal are found in Ontario, and there are 4,300,000 h.p. in "white coal" still undeveloped. The value of farms in Ontario, including lands, buildings, implements and live stock, is estimated at $1,480,000,000, yielding an annual gross return of at least 23% of their value.

Bordering on the Great Lakes, and with one-third of Canada's railway mileage, and five great canals within its borders, every advantage of transportation is available. Ontario is the natural distributing centre of Canada. *Every encouragement is given to industries,* and most new Canadian factories locate in Ontario.

There are over 300 towns and cities in the Province, including 35 of over 10,000 population; among these are Toronto, the second largest city in Canada, and Ottawa, the Capital of Canada.

Ontario's Strong Financial Position

ASSETS

31st October, 1916.

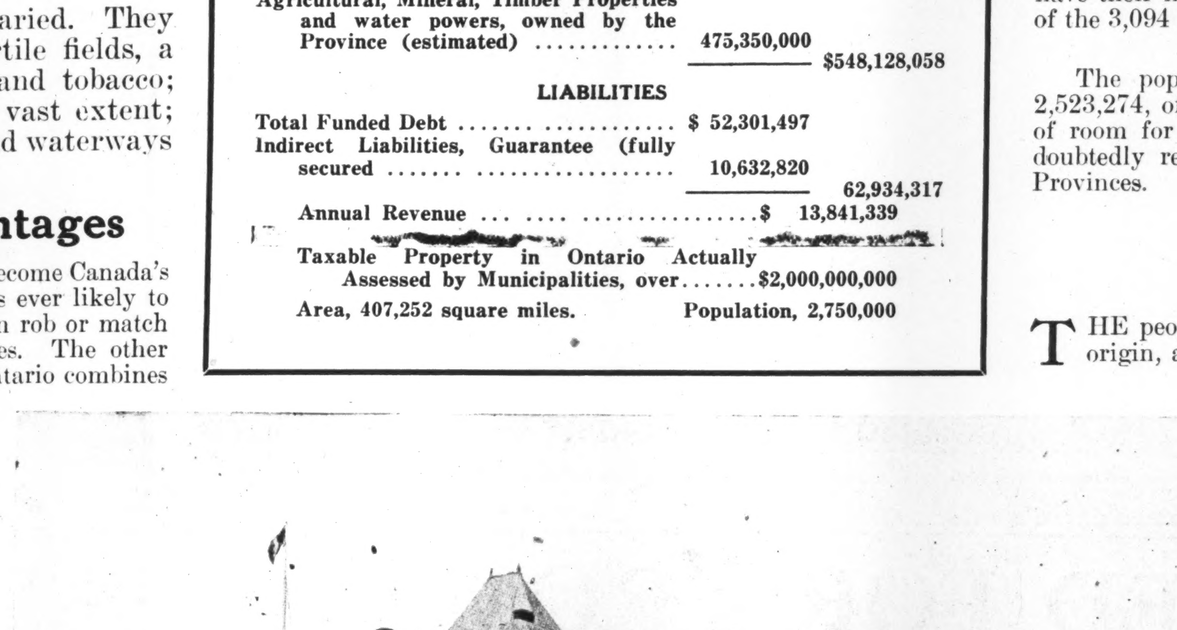
Sinking Funds, Balances in hands of Banks and Dominion Government, Railways, Hydro-Electric Properties, etc.	**$ 51,336,471**	
Government Buildings and Lands connected therewith	**21,441,587**	
Agricultural, Mineral, Timber Properties and water powers, owned by the Province (estimated)	**475,350,000**	
		$548,128,058

LIABILITIES

Total Funded Debt	**$ 52,301,497**	
Indirect Liabilities, Guarantee (fully secured	**10,632,820**	
		62,934,317
Annual Revenue		**$ 13,841,339**

Taxable Property in Ontario Actually Assessed by Municipalities, over.......$2,000,000,000

Area, 407,252 square miles. **Population, 2,750,000**



Provincial Parliament Buildings, Toronto

Nutshell Financial Facts

Cash and Debenture Assets of the Province, Public Buildings and Lands and other Estimated Assets, as at October 31st, 1916, $548,128,058.47.

Behind every $1,000 bond of the Province of Ontario is over $10,000 of actual Government property.

In addition, there is behind each $1,000 bond of the Province almost $40,000 of assessed property, which also secures the Province's bonds under the taxing power.

Every dollar of funded debt of the Ontario Government is thus secured by over $50 of tangible assets.

The ANNUAL PRODUCT of Ontario's farms, mines, forests, industries, etc. (which under the tax power of the Province secures all Ontario Government bonds), would pay off the entire direct bonded debt of the Province over 22 times—and do it each year!

THE CABINET

Lieut.-Governor: His Honor Lieut.-Colonel Sir John Hendrie, K.C.M.G., C.V.O.

Prime Minister, President of Council and Minister of Agriculture, HON. SIR WM. HEARST

Attorney-General	Hon. I. B. Lucas
Treasurer	Hon. T. W. McGarry
Secretary and Registrar	Hon. W. D. McPherson
Minister of Education	Hon. R. A. Pyne, M.D., LL.D.
Minister of Public Works	Hon. F. G. Macdiarmid
Minister of Lands and Mines	Hon. G. H. Ferguson
Without Porfolio	Hon. R. F. Preston
Without Portfolio	Hon. W. J. Hanna

Development

THE utilities necessary for development are further advanced in Ontario than anywhere else in Canada. The Ontario Hydro-Electric Commission operates 450 miles of 110,000-volt power lines and 1,250 miles of lower tension lines—44,000 volts or less. There are 50,000 *miles of highways and* 10,000 *miles of colonization roads;* 10,039 miles of steam railways and 772 of electric. The Temiskaming and Northern Ontario Railway, owned by the Province, operates 330 miles, connecting Northern Ontario and Toronto. Nine of Canada's 22 chartered banks, with assets of $645,290,525, have their head offices in Ontario, and the Province also has 1,135 of the 3,094 branch banks in Canada.

The population of Ontario, Dominion census of 1911, was 2,523,274, of which more than half was urban. So there is plenty of room for greatly increased rural population. Ontario will undoubtedly remain the most populous and powerful of Canada's Provinces.

Public Welfare

THE people of Ontario are almost entirely British or of British origin, and are alert in all phases of public welfare work.

There are 500 libraries, and over 6,000 elementary schools with 400,000 pupils. Numerous secondary schools and colleges, and seven universities, complete the educational facilities. One hundred hospitals are under Government supervision, including the $3,500,000 Toronto General Hospital. *Recreation* is by no means forgotten, and the Province is the Mecca of hunters, fishermen and vacationists. Among its many famous summer resort districts are: Muskoka Lakes, Algonquin National Park, and Georgian Bay.

Production

MANUFACTURERS employed 238,817 persons in 8,001 establishments, according to the 1910 Dominion Census, and produced $579,810,225 a year, or almost exactly half of all Canada's manufactures. *Forest Products* are worth $35,000,000 annually. *Minerals* averaged $46,000,000 annually for the past five years, of which $32,600,000 was metallic—chiefly silver, iron, nickel, gold and copper. *Fisheries* yield annually about $2,700,000. Natural Gas worth $16,000,000 has been obtained in the last 10 years, and in the same decade four million barrels of Crude Oil. *Agricultural Production* is about $365,000,000, including: Field Crops, $199,000,000; Dairy Products, $36,000,000; Fruit (retail value), $26,100,000; Tobacco, $2,000,000; Live Stock, $93,000,000. *Improved Farms* are for sale from $500 to $50,000, while homesteads of 160 to 200 acres are given free or sold for 50 cents an acre in four annual instalments. The bush farm presents many advantages over the prairie farm, including scenery, shelter, fuel, lumber, pine atmosphere, delightful shaded walks, and profitable winter employment.

Northern Ontario — The Land of Promise

NORTHERN *Ontario's Famous Clay Belt* stretches west and north from the Ottawa River, along either side of the Grand Trunk Pacific Railroad, right to the Manitoba boundary.

Note that this fertile land is one degree *south* of Winnipeg. The climate is ideal for perfect health, warm in summer, cold and invigorating in winter.

The land is well watered with lakes and rivers and covered with merchantable timber.

Chairmen of Boards and Commissions

Chairman of the Temiskaming and Northern Ontario Railway Commission	**J. L. Englehart, Esq.**
Chairman of the Hydro-Electric Power Commission,	**Sir Adam Beck**
Chairman of the Workmen's Compensation Board	**Samuel Price, Esq., K.C.**

Millions of acres of the finest agricultural land comprise the famous clay belt, and it has been proven that certain sections are already producing wheat equal to the finest Manitoba hard.

It is encouraging to know that a great stretch of uncultivated land lies out invitingly before the prospective farmer, but the encouragement is deeper than that. It may be justly asked, *"Has the soil been practically tested?" "If so, what are the results?"* The answer is that settlers have gone into all the districts. To see the crops grown by them is a revelation.

AGRICULTURE

TEXTILES--Industry Shows Solid Growth

Volume of Orders Has Been Falling off to Some Extent of Late, but Output Has Still Not Filled the Demands — New Sales Records for 1917 — Development Has Been on Solid Basis — Interest Being Displayed in Export Markets.

By H. H. BLACK.

COTTON TEXTILES AFTER THE WAR

By A. O. Dawson, Vice-President and Managing Director of Canadian Cottons, and President of Belding Paul Corticelli, Limited.

THE most promising fields for export for textiles after the war would appear to be Australia and New Zealand. Had we not been loaded up the last couple of years with all the Canadian business we could turn out, we could have done a tremendous trade with these two countries, as they were fairly begging us for supplies, and at higher prices than we were obtaining here. However, Canadian textile mills decided that their duty rested with their home trade. After the war we should get and hold a share of their trade with England and the States. There are no cotton mills established there yet; the distance is so great for raw materials, and the cost of establishing complete textile plants, for the spinning, weaving and finishing, is very large. In addition, wages are very high over there.

Newfoundland may prove a new and very desirable customer, if union is accomplished.

With South Africa we have carried on a slight trade, but mostly in goods supplied through American jobbers. These lines were heavy ones, such as cotttonades, denims and shirtings, and were sent in bond to New York. England is the chief source of supply, with Germany in many lines in the past, and the United States since the war began.

Our own country will continue to be our chief market. The Canadian textile mills have developed with the population of Canada, and at this rate we are likely to continue. The mills here, too, have kept pace with the textile developments of other countries of the world, and hence will continue to be in a position to hold Canadian business in their own special lines against competition. England, has, of course, been our most serious competitor in the past, and even with higher costs of labor over there is likely to regain a large portion of the Canadian trade that turned to the United States when England could not supply the demand since war began.

The United States can hardly offer the keen competition they have the last couple of years; they will have all they can do to take care of business in their own country.

The future, then, looks bright for the textile trade in Canada, with an assured increasing business. As to whether profits will continue their present percentage, no one can tell; so much will depend on the buying conditions of the trade.

THE textile industry of Canada may, like an old friend, "All Gaul," be divided into three parts: cotton textile, woolen, and knit goods mills. Of the three the first still holds the lead, although the last is gaining rapidly in total output, while the second has remained for many years at a standstill, with the production of the early seventies exceeding that of the new century, until the war gave new life to the industry and the mills started working at capacity to supply the deficit created by the shutting off of many of the British sources of supply.

The cotton textile industry, as it stands to-day, is represented by several strong organizations with heavy financial backing, and an output that enables them to rank among the largest producers of the country. One mill alone for the year 1916-17 sold over $13,000,000 worth of goods, and another close to $6,000,000 worth. The assets of the former exceed $18,000,000 and those of the latter are more than $13,000,000. A third company has assets of $5,900,000, or nearly $38,000,000 for the three.

The present year for these and others has seen the culmination of the tremendous pressure exerted on the capacity of the mills during a period of almost two years by the jobbing and retail trade of Canada that came near to swamping them from the point of view of deliveries. This was the logical result of the curtailment of a portion of the sources of supply from the English mills, and the near-frenzy in buying that took possession of all trades alike after the improvement in the purchasing power of the public that began to show itself late in the fall of 1915, and is only now beginning to show signs of the ebb.

Demands Still Unfilled.

It is only in the last month or two that the volume of business slackened sufficiently to enable the mills to gain appreciably on the orders that had accumulated during the prolonged rush to buy. Now they are still behind in their deliveries, but have a grip on the situation. For the next year, and until the end of the war, if later, the cotton *textile mills* expect that the volume of business will show a considerable decline compared with the past eighteen months, both on account of the extremely high prices, and the fact that the dealers are fairly well stocked up with goods.

For all that, the mills as a whole have orders sufficient on hand to occupy them until next spring, and any gaps that exist can be filled, as they have already in a few cases, by the acceptance of orders for duck that are awaiting them from the United States authorities for war purposes.

New Records for 1917.

While "new" business, that is, orders taken now for delivery some months later, is below that of last year for the corresponding period, it is certain that new high records for gross sales will be established during the year 1917, and there is every reason to believe that the percentage of profit will be up to the mark.

As to the future, the outline given by A. O. Dawson, vice-president and managing director of Canadian Cottons, is likely to find acceptance among all those who are at the helm in textile mill development in Canada. It is not long since the industrial world of Canada was startled by the announcement that the Dominion Textile Company would build, shortly after the termination of the war, a new mill at St. Lambert that would cost several millions, employ several thousands, and add 25 per cent. to the present output. It will do more; it will permit of a standardization both of yarns and fabrics that will enable Dominion Textile to stand up still more strongly against all competitors in the special lines it has undertaken to produce for the Canadian trade, in which it has held its supremacy for many a year.

On Good Foundation.

This is only one indication of the strong foundations the cotton textile trade in Canada is building for coming superstructures. They have grown as Canada grew: if rapid growth in population follows the ending of hostilities, the Canadian cotton companies are in a position to keep pace. Financially, they are backed by men whose connections grip strong and deep into the commercial and financial world; successful, shrewd and safe. They have been replacing the old looms by automatic makes that secure economy in production; make up for the scarcity of labor; enable the mills to pay higher wages, and thus render the positions more attractive and retain the help. Mainly as a result of these the capacity of the mill has been increased nearly 25 per cent. in a brief period, and where the output was not increased, the results were far more favorable than they would have been with the same depletion of labor under the old system. Even conscription will not affect them so seriously as it otherwise would have done.

Looking to the Future.

As for the future, that will run mainly along the line of Canada's development. The textile mills have chosen to turn out, in the main, staple lines, in demand in every section, with a few fancies. There are the wide ranges of bleached cottons and greys, drills, ducks, sheetings, pillow cottons, bags, cloth, window blinds, rubber cloths, sheetings, cottonades, denims, flannelettes, Saxons, awnings, dress ginghams, cotton blankets, piece-dyed and white stuffs, cambrics and linings of all kinds, with fancy lines of dress goods.

Canada's keenest competitors in Canada are the British mills, and it is probable that they will continue so to be, although labor conditions will not enable prices to be so low as formerly in comparison with domestic goods.

Since the war began much of the imports from Great Britain of former years have shifted to the United States: that is likely to be reversed again for the most part.

Export Possibilities.

In the export trade Australia and New Zealand are the most promising customers, with Newfoundland a possibility. South Africa has a strong British, and a partial United States, connection that has replaced Germany; it, too, is a possibility, but much more uncertain, if not unlikely.

In the main it comes back to this summary: "Canada for the Canadian —textile mills."

The growth in Canadian business since the war is indicated in the annual figures presented by the companies, as illustrated in the accompanying table.

Knit Goods Rapidly Developing.

The knit goods industry, as has been said, has shown remarkable development in Canada, and since the war has put forth every effort to cope with the increased volume of business that has offered, chiefly through the lessened imports from England. This has been particularly so in hosiery, and to a less extent in underwear. The sales of most of the mills have increased very considerably and the volume of business in 1917 should break all records.

The knit goods mills, however, have faced difficulties in the way of scarcity of wool and yarn that the cotton mills have escaped. Promises were made nearly a year ago of a generous portion of Australia's and New Zealand's wool clip; only a small portion has arrived, and Canada has been dependent mainly of late on the United States. Prices have been continuing to advance, and at last the trade has ceased to buy—for spring—to anything like the extent it did one year ago.

However, the industry has been developed along broad and enterprising lines, and should become one of the most prosperous in Canada.

Wool troubles as well as labor and high prices have afflicted the woolen goods mills also this past year, and to a certain extent they have found the trade stocked up, so that in many cases sales are beginning to drop. However, with decreased English exports, business still holds strong, and the future holds out a large share of trade in those lines that have been developed in Canada. Climatic and geological conditions preclude the development, it would appear, of the industry along the varied and finer lines it has followed in England.

Knit Goods Industry.

That the knitted goods industry of Canada is only in its infancy is shown by the census figures of 1900 which place the product at $3,857,519, which had increasingly 1910 to $13,393,854, and this year, allowing for added prices, should exceed $40,000,000. Advance is being made in the manufacture of silk, lisle and cotton hosiery as well as wool.

Caring for Great Bulk of Needs.

The extent to which the Canadian knit goods manufacturers are covering the demands of the domestic field is shown by a study of the imports of the lines that they manufacture. The total imports of socks, stockings and underwear for the year ending March 31, 1917, was just $4,000,000, or not more than one-ninth of the value of the goods manufactured and sold in Canada. There are a few sweater coats that are not classified as such and so are not included in the

Continued on page 28.

	1917	1916	1915	1914	1910
Dom. Textile	$13,375,750	$10,438,099	$7,643,674	$8,899,719	$8,743,706
Can. Cottons	5,719,224	5,540,215	3,321,161	3,500,476	....
Mont. Cottons	*4,397,824	3,055,367	2,291,885	3,017,704	3,194,220

*Year ending Dec. 31, 1916, etc.

Profits.

	1917	1916	1915	1914
Dominion Textile	$1,582,705	$1,481,195	$1,230,768	$1,196,990
Canadian Cottons	593,273	515,114	369,412	411,104
Montreal Cottons	*473,688	394,899	368,421	383,177

*For year ending Dec. 31, 1916, etc.

Value of Properties.

	1917	1916	1915	1914
Dominion Textile	$13,700,819	$10,754,149	$10,755,941	$10,724,857
Canadian Cottons	10,811,957	10,789,295	10,770,007	10,703,304
Montreal Cottons	4,378,744	4,209,701	4,180,614	4,138,624

Stock, Dividends, Etc.

Dominion Textile.—Preferred, $1,940,000, 7%; common, $5,000,000, dividend increased from 6 to 7% in July, 1917.

Canadian Cottons.—Preferred, $3,661,500, 6%; common, $2,715,500, 7% (increased from 6% in 1916).

Montreal Cottons.—Stock, $3,000,000, 11%, starting in 1913.

PRICES--A Year's Advance

Upward Trend Appears to Have Reached the Top—High Costs Make Thrift a Necessity — Some of the Economic Influences Which Have Been at Work.

By C. W. Bolton, Department of Labor.

THE cessation of the rise in the prices of many of the basis commodities during the summer as well as in the stock markets, together with governmental action in regulating prices, production, distribution, etc., has led to much consideration as to the future of industry and trade. It is appreciated by all concerned that industry cannot go on indefinitely at the high pressure of the last two years unless the production of food, and raw materials, and the provision of transportation facilities is concurrently increased. Existing stocks of goods, surplus supplies of materials, means of production, etc., have been exhausted in many cases while food and man-power have constantly become relatively scarcer since the beginning of the war. Even the end of the war would not greatly increase the needed supplies though it would stop the constant drain of goods to complete destruction in the operations of war instead of into use for further production.

In Canada there has been a sharp reminder of this in the stopping of purchases by the British government, not only in munitions but in some farm products unless the purchases could be financed here. As this involves, under the surface, more than the making of loans by banks or the floating of loans by the government this is no light task. To finance a munition contract, the required metals and chemicals must be provided as well as the food, clothing, etc., for the workmen and women employed. To finance purchases of grain, hogs, cheese, etc., the farmer must be given clothing, implements, etc., in exchange.

The Need for Thrift.

After the war the same problem will arise in financing the construction of roads, bridges, houses, machinery, etc., required for development of the country. Before the war this was done chiefly by British capitalists who had at their command resources in all parts of the world, especially in the United States. During the war, British purchases in America have been financed chiefly through these means but these have now been exhausted to a great extent. It is therefore being attempted to induce Canadians to restrict their consumption not only of food, good and bad, but of clothing, necessary and unnecessary, and of luxuries, such as moving picture shows, gramophones, grate fires, automobiles, etc., in order that factories and labor may be employed in the production of shells, airplanes, railroad cars, farm implements, uniforms, belts, boots, etc., instead of luxuries.

Hitherto it has appeared that Canadians have devoted a great part of the profits from war business and industry to expenditure on luxuries except in the following cases:

(1) Those unfortunates who were so burdened with debt before the war that they took the opportunity to pay it off.

(2) Families which have been able to do no more, at most, than keep up in income with the rising cost of living, even with the additions earned by daughters at work, etc.

(3) Those capitalists who have laid aside reserves out of their profits, investing these in war loans, etc. If most of these who are making money waste it in luxury the means for taking part in the war cannot to that extent be obtained in Canada, much less the means for the development of the country and the maintenance of industry afterward. Taxation may do much but even in the extreme forms often included under the term "conscription of wealth" cannot do all, so that it is hoped that the various campaigns for economy will do much.

The extent to which war orders are placed in Canada, the taxation policies of the government and other governmental action affecting industry and trade, as well as the disposition of the people shown in subscription to war loans, in expenditure on luxuries, economy in food, fuel, clothing, etc., will largely determine the future not only immediately but later; for the stimulus and support formerly obtained abroad in the form of capital, immigration and imports, with corresponding export trade, will not be secured so readily and the flow of capital and immigration for further progress will depend on the extent to which Canadians can now use wisely the capital and equipment already invested in the county for participation in the war and for developing the resources of the country.

Economic Influences.

An important feature of the prices movement has been the extent to which attention has been drawn to the influence of the supply of money on prices by financial journals, economists, etc. These have shown that increases in reserves of gold, in issues of paper money, in government bonds floated, in bank loans, deposits, clearings, were in nearly all cases coincident with each new ascent of prices.

Professor Nicholson of Edinburgh found that the rise in prices followed about five months behind the expansion of credit accompanying each great issue of government bonds.

Professor Irving Fisher of Yale pointed out that it was only through the increase in money and in the credit based on monetary supplies that greater demand for goods, speculation, combinations, etc., could be effective in raising prices.

Professor Anderson of Harvard, however, has made the point, in a recent work on the value of money, that the psychological factor is of great importance, that hopes and fears, likes and dislikes, affect the value of the things men wish to exchange among themselves, within the limits imposed by the monetary conditions prevailing.

It was pointed out by the editor of the *Economic World*, New York, Sept. 15, 1917, that the declines in prices during the summer, involving great losses, were in spite of great monetary inflation. Relative scarcity of food and raw materials with an unlimited demand during war continue as factors in sending prices upward but the effects of other influences, actual and potential, including monetary conditions, governmental action, events of the war, peace policies, the spirit of the people in the various countries, and all the psychological forces incidental to these, will determine not only the limits within which prices on the whole may rise and fall but the trend, whether upward or downward, in particular commodities or in the general movement.

WHOLESALE PRICES OF RAW MATERIALS

THE upward movement in prices became, in the autumn of 1916, yet steeper and extended to nearly all classes of commodities. Although the greatest and most important advances occurred in foodstuffs, owing to the short crops of 1916 throughout the world, raw materials showed steep rises and then the finished products. Advancing wages became a greater factor in raising prices. The demand for war supplies was strong and there were no prospects of peace soon enough to have much effect on the markets. The flurry in December, following the issue of peace notes, was of brief duration, but caused violent changes in the markets.

By the summer, however, in most markets the crest appeared to have been reached. The war preparations of the United States in the spring added to the strength in many markets and buying by the government affected some considerably as late as September, although the measures taken by the government in co-operation with the producers to stablize prices minimized this influence. The progress of the war, peace rumors, the possible results from the measures taken by the various governments to control prices, production, and the disposal of supplies, exerted different effects on the various markets from time to time, sometimes lessening, sometimes temporarily increasing speculation.

	Iron, pig at Montreal per ton $	Steel, billets at Montreal per ton $	Copper, ingots at Tor'to per lb. cts.	Lead, Traill at Tor'to per lb. cts.	Zinc spelter at Tor'to per lb. cts.	Pine No. 1 cuts at Tor'to per M. $	Spruce, deals at St. John per M. $	Maple, soft at Tor'to per. M. $	Wool, washed at Toronto per lb. cts.	Cotton, raw at N.Y. per lb. cts.	Hides, beef at Tor'to per lb. cts.	Leather, harness at Tor'to per lb. cts.	Rubber, raw at N.Y. per lb. $	Pulp, ground wood at mill per ton $
1910—														
Jan.	18.50	26.50	14½	3.60	6.00	44-48	15.00-17.00	20	23 -24	16.10	13	28-39	1.68-1.71	16
July	18.50	26.00	13¾	3.75	5.75	48-52	14.50-15.50	20	19 -20	15.35	10½	38-39	2.25	...
1911—														
Jan.	21.00	27.00	13½	3.75	5.60	50-55	15.00	25	21 -22½	15.00	9½	38-39	1.10-1.11	14-19.50
July	19.00-19.50	25.75	13¼	3.75	5.85	60-65	14.50	25	20 -21	14.80	11½	37-39	.92- .93	16-18
1912—														
Jan.	19.75	24.75	15	4.50	6.75	60-65	13.25	25	18 -20	9.35	12½	38-39	.97- .98	16-18
July	18.50	23.75	19	5.30	7.20	60-65	14.50	25	18 -20	11.65	12½	38-39	1.00-1.02	17-18
1913—														
Jan.	22.00	26.50	18¼	5.25	6.25	60-65	15.75	25	21	13.40	14	40-41	1.00-1.01	14-15
July	20.00-21.00	29.00	16¼	5.00	6.25	55-57	16.50	28	24 -26	12.40	13	39	.81- .82	15-16.50
1914—														
Jan.	19.50-21.00	25.50	16½	5.45	5.00	55-57	15.50	28	25½-27½	12.50	13½	39	.60- .61	15-16
July	19.00-20.00	25.00-25.50	15	5.15	5.25	55-57	15.25	28	26½-28½	13.25	14½	39	.57- .58	15-16
1915—														
Jan.	19.00-19.75	24.50-25.00	14½	5.00	6.00	50-52	18.50	25	28 -31	7.80	15	43-44	.70- .72	16-18
July	19.75-20.00	26.00-27.00	22	7.50	28.00	50-52	15.50	25	36 -41	9.60	14	51-53	.53- .54	15.00
1916—														
Jan.	23.00-24.00	39.00-40.00	26	7.50	21.00	50-52	21.00	25	40 -44	12.50	18½	51-53	.80- .82	16-17
July	24.50-25.50	43.00-46.00	28½	9.00	15.00	50-52	19.00	25	47 -52	12.95	20	55	.59	18-20
Nov.	26.00	52.00	31	9.25	12.00	50-52	19.00	25	42 -45	19.05	20-22	59-60	.71	35-40
Dec.	28.00	52.00-55.00	39	10.00	15.00	50-52	20.00	25	42 -45	18.10	25	63-68	70-71	40-45
1917—														
Jan.	28.00	52.00-55.00	36½	9.50	13.25	50-52	20.50	25	42 -45	17.45	22	63-68	70	40-45
Feb.	28.00-30.00	52.00-55.00	38	12.25	13.50	50-52	20.50	25	42 -45	15.85	20	63-68	77-78	40-45
Mar.	28.00-30.00	52.00-55.00	39-40	12.00-13.00	13.50	50-52	21.50	25	42 -45	17.95	20	63-68	75	45-50
Apr.	30.00-35.00	60.00	38	12.00-13.00	14.00	50-52	21.50	33	42 -45	20-85	20	63-68	74	45-50
May	40.00-45.00	*	37½-38	13½	13.00	50-52	21.50	33	50	20.10	22	63-68	72-73	45-50
June	40.00-50.00	*	37½-38	15½	12.50	50-52	21.00	33	63 -68	24.90	22	63-68	70-71	40-43
July	40.00-50.00	*	33-34	14-15	12.50	50-52	20.50	38	65 -70	27.40	20-21	63-68	61-61½	40-42
Aug.	40.00-50.00	*	30-32	13½-14	11.00	50-52	22.00	38	65 -70	26.70	22	63-68	60½-61	40
Sept.	40.00-50.00	*	30-32	12½-13	10.00	50-52	22.00	38	65 -70	21.50	22	63-68	59½-60	40-42
Oct.	40.00-50.00	*	30-31	12	11.00	50-52	22.00	38	65 -70	27.50	30	63-68	53½-54	40-42

*None for sale.

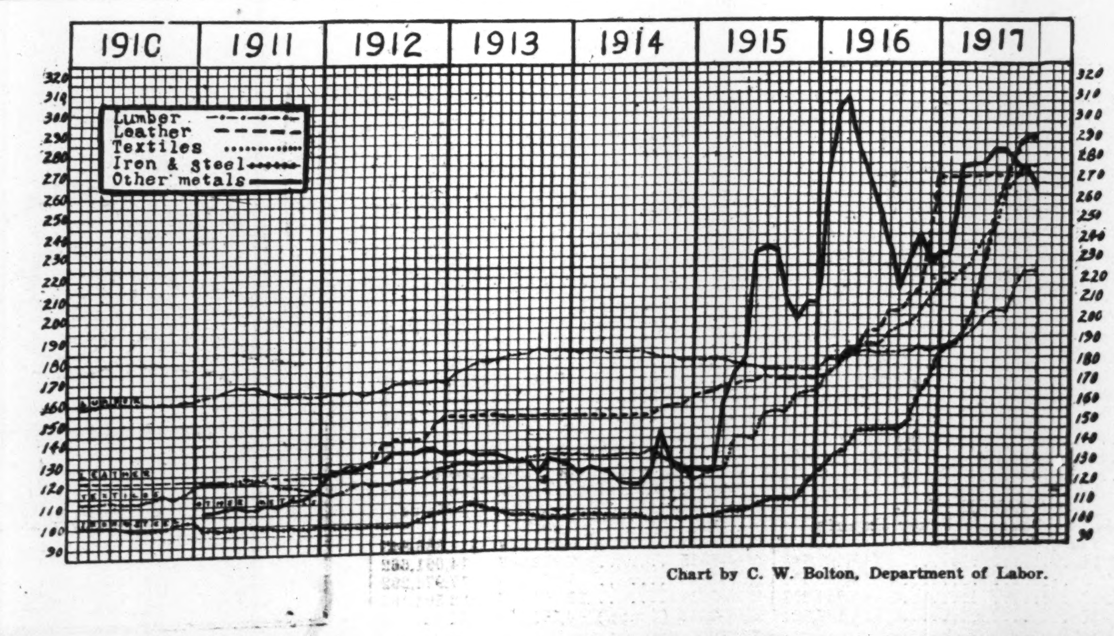


Chart by C. W. Bolton, Department of Labor.

PULP AND PAPER--Industry on Solid Basis

Canada's Resources in Raw Materials and Water Power Give the Industry Tremendous Advantage—Market in United States of Rapidly Growing Importance—More Paper Being Made in Canada in Proportion to Exports of Pulpwood and Wood Pulp —Companies Are Making Unprecedented Profits.

By W. A. CRAICK.

IF the dictum that the most promising investments are those made in natural resources and enterprises which the largest number of people can patronize, is accepted as sound, then there can be no gainsaying the fact that the Canadian pulp and paper industry offers one of the most profitable fields for the investment of capital in the Dominion.

Pulpwood may be regarded as one of the greatest natural resources of the country. The northern forests of spruce and balsam covering thousands of square miles of territory provide a reservoir of raw material unequalled by any other country in the world. With proper conservation, including reforestation, these resources should last indefinitely, assuring a future for the industry of unexampled profitableness.

On the other hand, the product made —paper —in all its manifold forms from newsprint to cardboard, is one of the most widely used articles under the sun. A humorist in Kalamazoo, picturing the possibility of a paperless day, paints such a scene of desolation that one must agree with his conclusion that, without paper, the civilized world would slip back into its aboriginal state.

"Paper is vitally essential to the moral, mental and physical well-being of any but aboriginal people," says he. "And who wants to be an ab-o-rig-i-nee?"

Canada has surpassing resources in raw materials and water-powers for the manufacture both of pulp and of paper. In its own growing population and in the rapidly-expanding, paper-consuming population of the United States,—not to mention other countries which are becoming more or less dependent on Canada for paper. —it has an outlet for its pulp and paper products of great potentialities. Other industries may require protection to enable them to flourish. Not so, in the final analysis, the paper industry. Economy of production will inevitably drive a larger and larger portion of the industry in North America to the northern forests and water-powers.

Only within the past few years have the possibilities of the industry begun to be thoroughly realized. Only last year did the first real Canadian paper boom develop. That we are not continuing to witness important developments is due to causes of a temporary nature, which are clouding the air with an atmosphere of uncertainty. Questions of taxation and of price-fixing have alarmed capital, while contemporaneously the pressure of increasing money rates has prevented both investment and speculation and depressed the values of pulp and paper securities. Notwithstanding these disturbances, which are not of course calculated to encourage investment in the industry, there has been no change whatever in those basic conditions, which are bound to make well-managed paper manufacturing enterprises a success. Consumption of paper is increasing and it will be to Canada that the eyes of the consumer must look for the extra supply necessary to fill the larger demand.

Basic Raw Material.

It is, as pointed out, Canada's immense resources in pulpwood that are responsible for the present growth and future potentialities of the paper industry. Couple with these the water-powers, which are a most important factor in economic production, and this country's position as a great paper producer may be regarded as unassailable.

The quantity of pulpwood cut from year to year is expanding at a rapid rate. Last year with a total recorded of 2,833,119 cords, the amount of production of only eight years ago has been more than doubled. Where the interest arises in this connection, however, is in the proportion of the cut consumed in Canada. From 35% in 1908, this has grown to 62.3% in 1916, or roughly from one-third to nearly two-thirds. Correspondingly, the quantity exported has declined in proportion in the same period from 65% to 37.7%.

The foregoing figures are illuminating. They demonstrate in no uncertain way the increasing importance of the pulp manufacturing industry in Canada. Practically the whole gain in the cut of pulpwood is being utilized in Canadian pulp mills, exports from the Dominion being very slightly in excess of those of eight years ago. All of which is shown clearly in Table I.

Table II. is complementary to Table I., in that it exhibits the value of the pulpwood cut, consumed in Canada and exported. Its chief interest lies in the disclosures it makes as to the increasing value of a cord of pulpwood. In 1908, the first year exhibited in the table, a cord was valued at $5.68; by 1912, its value had increased to $6.45 and in 1916 it was $7.05. Or viewed in another way, the quantity of pulpwood cut has increased by 105% in eight years while the value has increased by 155%.

Of the pulpwood consumed in the manufacture of pulp in Canada, Quebec continues to absorb the largest portion, as is set forth in Table III. Ontario makes a strong second. Both New Brunswick and Nova Scotia, after recording large gains in 1915, fell back in 1916. British Columbia, on the other hand, has been gaining fairly steadily and is now established in third place among Canadian provinces.

Wood Pulp Industry.

The order-in-council passed by Ontario, Quebec and New Brunswick prohibiting the export of pulpwood cut upon crown lands, though suspended for the period of the war, had the effect of stimulating the production of pulp in Canada. While it might have been expected that the removal of the prohibition would have led to a resumption of exports on a heavy scale, yet such has not been the case. American mills, deprived to a certain extent of their wood supply, had substituted ground wood and made no change back when the restrictions were raised.

It has been pointed out that, of the 2,833,119 cords of pulpwood cut in 1916, 1,764,912 cords or 62.3% were consumed in Canada. From this supply, 1,296,084 tons of wood pulp were manufactured, this being by far the largest quantity ever produced in the Dominion. It represents an increase of 191% over 1909 and of 20% over 1915. The production by provinces is shown in Table IV. As with the cut of pulpwood, Quebec is well in the lead, Ontario being second and British Columbia third. The Maritime Provinces have fallen back somewhat from the record figures of 1915.

Table V. will be found of special interest, because it shows how rapidly the production of chemical pulp is increasing. As chemically prepared pulp is a much more valuable product than mechanical pulp it is desirable that its manufacture should grow. In 1909, mechanical pulp represented 73% of the total and chemical pulp 27%. By 1915, the proportion had altered to 31% of chemical and 69% of mechanical. In 1916, there was a further change to 36% chemical and 64% mechanical.

It has already been shown that of the total cut of pulpwood, 62.3% was retained in Canada to be used in the manufacture of wood pulp. Of this wood pulp itself, more than half is kept in the country for conversion into paper. There have been some significant variations in the proportions of wood pulp retained and exported, as is to be observed from an examination of the figures in Table VI. While there has been a steady increase from year to year in total production and while the quantity manufactured into paper in Canada has grown with almost equal steadiness, exports have risen and declined several times. The result has been to disturb the continuity of percentage changes and to make it difficult to give deductions. The outstanding feature is that for the past four years, 1913-1916, the advantage has been in favor of domestic manufacture, which is a condition that will be found satisfactory.

Table VII. is of primary interest because it illustrates the manner in which values are expanding. A ton of wood pulp in 1908 was worth just under $17.00; in 1916, it was worth just over $31.00, which is not very far short of a 100% increase.

Table VIII. supplements to a certain extent remarks already made anent the proportions of chemical and mechanical pulp in the total production in Canada of wood pulp. So far as the part exported is concerned, there was up to 1915 a steady decline in the percentage of mechanical, with a corresponding rise in the percentage of chemical. Last year, however, witnessed a slight reaction. Quantities exported were both considerably larger but the proportions were not just the same.

Paper Manufacturing.

Both the quantity and value of Canada's exports of paper have been growing at a rapid rate, having more than doubled in three years, as is indicated in Table IX. The great bulk of the export trade has been done in printing paper, of which newsprint comprises practically the entire amount. The quantities and value of printing paper exported are shown in Table X. As already in four months of the present fiscal year, the average of 1916-17 has been exceeded, the showing for the whole year will doubtless be of record-breaking proportions.

Canada is in a most fortunate position as regards the production and sale of newsprint. Not only has she the resources and facilities for cheap production, but she has at her doors a market, the buying power of which is rapidly expanding. At present the total production of newsprint paper in both Canada and the United States approximates 1,800,000 tons per annum. Of this amount Canada herself produces 540,000 tons and ships to the United States about 435,000 tons. In other words she is supplying between one-fourth and one-third of United States' requirements.

The proportion of paper which Canada will supply in the future will be much greater and will, in a very few years, if prospective development continues, reach at least one-half. This is due on the one hand to the enlarged capacity of Canadian mills and on the other to a reduction of American production. The latter phenomenon is to be accounted for by the changing over of machines in

Continued on page 35.

TABLE I.

PULPWOOD CUT, USED IN CANADA AND EXPORTED.

	Cords Cut	Used in Canada	Per Cent. Used in Canada	Cords Exported	Per Cent. Exported
1908	1,378,186	482,777	35.0	895,409	65.0
1909	1,537,762	622,129	40.5	915,633	59.5
1910	1,541,628	598,487	38.8	943,141	61.2
1911	1,520,227	672,288	44.2	847,939	55.8
1912	1,846,912	866,042	46.9	980,868	53.1
1913	2,144,064	1,109,034	51.7	1,035,030	48.3
1914	2,196,884	1,224,376	55.7	972,508	44.3
1915	2,355,550	1,405,836	59.7	949,714	40.3
1916	2,833,119	1,764,912	62.3	1,068,207	37.7

TABLE II.

VALUE OF PULPWOOD PRODUCED, CONSUMED IN CANADA AND EXPORTED, 1908-1916.

	Produced	Consumed	Exported
1908	$7,830,450	$2,931,653	$4,898,797
1909	9,216,739	3,464,080	5,952,659
1910	9,795,196	3,585,154	6,210,042
1911	9,678,616	4,338,024	5,340,592
1912	11,911,415	5,215,582	6,695,833
1913	14,313,939	7,234,368	7,079,571
1914	14,770,358	8,089,868	6,680,490
1915	15,590,330	9,426,217	6,164,113
1916	19,971,127	13,104,458	6,866,669

TABLE III.

PULPWOOD CONSUMPTION BY PROVINCES.

	Total (in cords)	Quebec	Ontario	New Brunswick	Nova Scotia	British Columbia
1908	482,777	255,943	154,714	54,058	18,062	....
1909	622,129	319,935	187,352	88,450	25,076	1,316
1910	598,487	342,755	210,552	15,134	29,606	440
1911	672,288	390,426	213,667	45,824	22,221	150
1912	866,042	578,855	173,903	52,041	26,176	35,067
1913	1,109,034	629,934	321,244	53,121	20,562	84,173
1914	1,224,370	636,496	447,751	49,339	10,777	80,013
1915	1,405,136	697,962	480,627	115,842	20,870	90,535
1916	1,764,912	924,272	637,612	79,594	44,437	108,997

TABLE IV.

PRODUCTION OF WOOD PULP BY PROVINCES.

	Total in tons	Quebec	Ontario	New Brunswick	Nova Scotia	British Columbia
1916	1,296,084	686,604	473,014	43,374	14,437	78,655
1909	445,408	238,286	132,491	48,991	23,996	644
1910	474,604	282,938	156,076	25,955	9,285	350
1911	496,833	312,522	140,959	19,099	24,163	90
1912	682,632	459,420	142,257	29,525	26,196	25,254
1913	854,624	514,498	228,498	29,911	20,562	61,354
1914	934,700	515,409	325,233	26,829	10,777	56,352
1915	1,074,805	561,793	364,226	62,093	20,870	65,823

TABLE V.

PRODUCTION OF WOOD PULP BY PROCESSES.

	Total in tons	Mechanical	Sulphite	Sulphate	Soda
1909	445,408	325,609	114,926	....	4,873
1910	474,604	370,195	95,987	....	8,422
1911	496,833	362,321	110,391	....	24,121
1912	682,632	499,226	142,970	33,469	6,959
1913	854,624	600,216	183,552	68,284	2,572
1914	934,700	644,924	217,550	70,333	1,893
1915	1,074,805	743,776	235,474	92,405	3,150
1916	1,296,084	827,258	363,972	100,977	3,877

TABLE VI.

QUANTITY OF WOOD PULP PRODUCED, QUANTITY EXPORTED AND QUANTITY MANUFACTURED INTO PAPER IN CANADA.

	Production in Tons	Exports in Tons	Percent. of Product	Manufact'd in Canada	Percentage of Product
1908	306,738	239,805	78.1	66,933	21.9
1909	445,408	280,744	63.0	164,664	37.0
1910	474,604	328,977	69.3	145,627	30.7
1911	496,833	259,514	52.2	237,319	47.8
1912	682,632	384,100	56.2	298,532	43.8
1913	854,624	298,169	34.9	556,455	65.1
1914	934,700	424,883	45.4	509,817	54.6
1915	1,074,805	364,170	36.1	710,635	63.9
1916	1,296,084	558,899	43.1	737,185	56.9

TABLE VII.

Quantity and Value of Wood Pulp Exported.

	Quantity in Tons	Value	Value Per Ton
1908	239,805	$ 4,070,928	$16.97
1909	280,744	4,898,842	17.44
1910	328,977	5,694,896	17.31
1911	259,514	4,902,862	18.85
1912	348,100	5,952,361	17.10
1913	298,169	5,913,560	19.84
1914	424,883	8,865,436	20.87
1915	364,170	9,279,414	25.48
1916	558,899	17,344,342	31.03

TABLE VIII.

Relative Exports of Mechanical and Chemical Pulp.

	Mechanical (in tons)	Per.	Chemical (in tons)	Per.
1912	295,449	84.9	52,651	15.1
1913	230,644	77.4	67.525	22.6
1914	314,485	74.0	110,398	26.0
1915	206,701	56.8	157,469	43.2
1916	329,752	59.0	229,147	41.0

TABLE IX.

Value of Canada's Paper Exports.

Fiscal Years.	
1913-1914	$12,690,549
1914-1915	15,500,064
1915-1916	20,042,806
1916-1917	26,107,824

TABLE X.

Quantity and Value of Exports of Printing Paper.

Fiscal Years	Quantity cwt.	Value
1913-1914	5,851,579	$11,386,845
1914-1915	7,292,047	14,091,662
1915-1916	9,264,080	17,974,292
1916-1917	10,806,197	23,594,134
1917-1918 (4 mos.)	4,131,180	11,620,016

ANALYSIS OF PULP AND PAPER SECURITIES.

				Prices of Securities.				
Company Security.	Outstanding	Last Dividend or Interest Date Maturing	Rate	High Price	Date	Low Price	Date	Present
Abitibi Pulp & Paper Co., common	$ 5,000,000	....	..	83	Nov., 1916	65	Oct., 1916	50
7% Cum. pref.	1,000,000	Apr. 30, 1917	7	91	Dec., 1916	89	Oct., 1916	89
Canada Paper Co., common	588,600	....	..	..	....	..	....	..
7% Cum. pref.	344,100	....	..	..	....	..	....	..
6% 2nd Mort. Bonds	150,000	Aug. 1, 1917	6	..	....	..	....	..
Chicoutimi Pulp Co., common	3,650,000	....	..	Held by North American Pulp & Paper Co.				
6% Cons. Mort.	3,680,000	July 1, 1917	..	..	....	..	....	..
Lake Superior Paper Co., common	5,000,000	....	..	Held by Spanish River Pulp & Paper Mills Co.				
6% non-Cum. pref.	3,000,000	....	..	Held by Spanish River Pulp & Paper Mills Co.				
6% 1st Mort. 30-yr. Bonds	5,000,000	Sept. 1, 1917	6	98¾	1912	70	1914	..
6% Debentures	534,600	Sept. 1, 1917	6	..	....	..	....	..
Laurentide Co., common	9,600,000	Oct. 1, 1917	10	240	Sept., 1912	145	Oct., 1911	153
6% 20-yr. 1st Mort. Bonds	706,090	July 2, 1916	6	114	Jan., 1909	101	1915	..
Ont. P. & P Co. 6% 1st Mort. Bds	1,399,100	July 1, 1917	6	..	....	..	....	..
Price Bros. & Co., common	5,000,000	....	..	132	Nov., 1916	60	1916	120
5% 1st Mort. Bonds	5,685,726	Nov. 1, 1917	5	87½	July, 1916	75	Feb., 1915	..
Provincial Paper Mills Co., common	2,481,300	Oct., 1917	4	..	....	..	....	..
7% Cum. pref.	1,700,000	Oct. 1, 1917	7	..	....	..	....	..
Riordon Pulp & P. Co., Ltd., com.	4,500,000	....	..	150	Nov., 1916	59	Aug., 1916	117¼
7% Cum. pref.	1,000,000	Oct. 15, 1917	7	..	....	..	....	..
6% 1st Mort. 30-yr. Deb.	2,041,800	June 30, 1917	6	98	1913	98	1913	..
Span. River Pulp & P. Mills, com.	8,000,000	....	..	72¼	Feb., 1913	3¾	July, 1915	13
7% Cum. pref.	5,699,100	July 15, 1913	7	97½	Jan., 1913	31⅛	July, 1914	49
6% 1st Mort. Bonds	2,327,013	July 1, 1917	..	97	April, 1913	76¾	Dec., 1913	..
6% 2nd Mort. Notes	1,460,000	....	..	..	....	..	....	..
Toronto Paper Co., common	750,000	June 30, 1917	6	102	April, 1913	30	June, 1914	72
6% 1st Mort. Bonds	500,000	Sept. 1, 1917	6	..	....	..	....	..
Wayagamack P. & P. Co., com.	5,000,000	....	..	112⅛	Nov., 1916	21	Dec., 1913	50¼
6% 40-yr. 1st Mort. Bonds	3,500,000	Aug. 1, 1917	6	90	Oct., 1916	70	June, 1913	..

CHEVROLET

—The TRAIL BLAZER to greater Motor Car Value

From the standpoint of dollar for dollar value there's not a car made which offers more for your money than the famous Chevrolet Four-Ninety A.

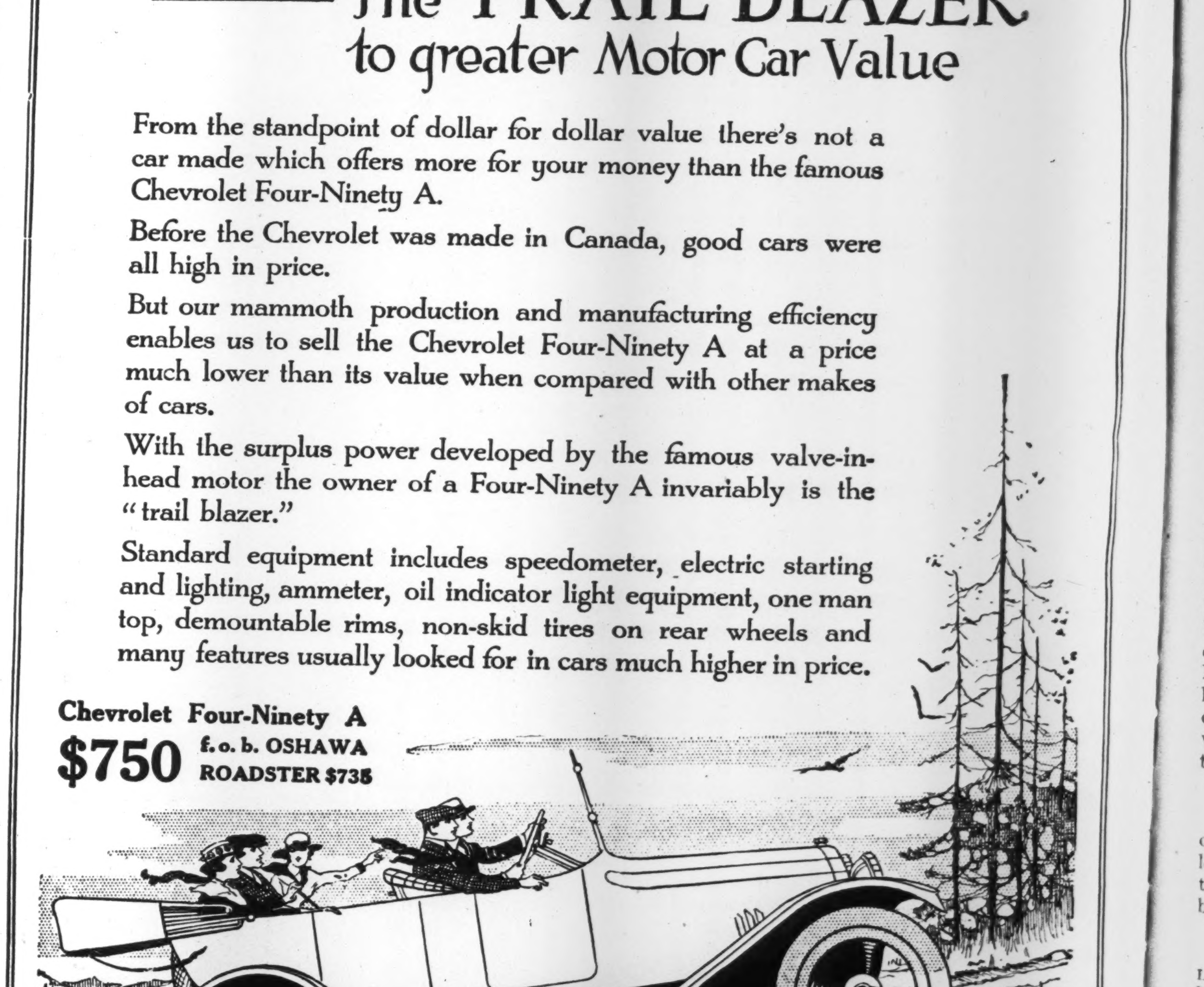
Before the Chevrolet was made in Canada, good cars were all high in price.

But our mammoth production and manufacturing efficiency enables us to sell the Chevrolet Four-Ninety A at a price much lower than its value when compared with other makes of cars.

With the surplus power developed by the famous valve-in-head motor the owner of a Four-Ninety A invariably is the "trail blazer."

Standard equipment includes speedometer, electric starting and lighting, ammeter, oil indicator light equipment, one man top, demountable rims, non-skid tires on rear wheels and many features usually looked for in cars much higher in price.

Chevrolet Four-Ninety A
$750 f. o. b. OSHAWA
ROADSTER $735



THERE ARE CHEVROLET MODELS IN ROADSTER, TOURING AND SEDAN BODIES
SEE THEM AT YOUR NEAREST DEALER

CHEVROLET MOTOR CO., of CANADA LIMITED
OSHAWA, ONTARIO

MILLING--Many War Influences Felt

Flour Mills Have Had a Very Successful Year, as Shown by Earnings—Regulation of Profits by Food Controller May Affect Earnings of Some Companies—Great Possibilities of the British and Other Export Markets.

BIGGER DEMAND THAN EVER

By T. Williamson, President St. Lawrence Flour Mills Co.

THE price fixed for the new crop, $2.21 a bushel, is not likely to come down during the next year, in the face of the tremendous demand all over the world. The fixing of the price of wheat automatically fixes the price of flour by the arrangement with the Government through the Food Controller.

The fixing of a maximum profit of 25 cents a barrel ought to be sufficient to pay the fixed charges of all the mills.

With the very urgent demand all over the world for flour, particularly that made from Manitoba spring wheat, so far as any one can see, the Canadian mills should be fully occupied for the present season and there should be a reasonable profit for the shareholders. The export of flour to England is in the hands of the Wheat Export Co. The indications are that a very large quantity of flour will be shipped over.

So far as present prices are concerned the Government regulation of 25 cents a barrel profit just about represents the actual condition and there is likely to be no material reduction in price when the regulation goes into effect.

They are likely to adopt a standard straight-run flour with no lower grades taken off. This grade flour probably will sell for 75 cents a barrel below the highest grade patents. The mills as I understand the intentions of the Controller, will be required to grind straight flour but will also be allowed to sell higher grades to whatever customers desire them. There is no disposition on the part of the Government to insist on so-called war bread, which, according to the evidence of the British authorities now on this side, has been very injurious to the health of the public, not only in Belgium but also in the United Kingdom. The people of Canada will continue to be supplied with a good, wholesome flour at a minimum price.

So far as the prospects for trade with the Allies in the immediate future are concerned I think that the extreme labor conditions abroad will result in a larger quantity of flour being required for the coming year than ever before.

As for after the war, I have no hesitation in saying that the demand will be bigger than ever, to make up for the starvation conditions that will face all the combatant countries. The facilities for shipping from America will give this business to the States and to Canada, rather than to Australia, Argentine or India, from which the voyage is so long and unprofitable from a supply point of view.

THE milling industry of Canada, at the time of writing, is about to come to some extent under the control of Governmental regulations that will set a limit to its profits and the selling price of its product for the domestic market, and under the absolute control of a buying agency for the allies that may affect the quantity and prices of its exports.

Within these limits there is a large measure of uncertainty as to how operations will turn out for the investor for the coming year, but, in spite of these abnormal conditions that have been introduced, the prospects are bright for at least a high normal domestic demand, a record year in export, and profits that will look after all charges, and continue the dividends at present in force,—though possibly the bonus of 1917 may be absent from its unwonted place. For the future, there is a general belief in the trade that the ending of the war will open up for Canada, for a few years, unprecedented opportunities for supplying enormous quantities of flour to nearly all the warring nations of Europe, while the ravages of war, from industrial, agricultural, and man-power standpoints, are being gradually eradicated or cured.

This picture may require some retouching if the details of the Food Controller's final orders are more stringent than are expected, or run in directions that lie counter to what the mills feel is to the mutual benefit of the manufacturer and the consumer alike. For instance, it is possible, but considered unlikely, that the individual brands of the mills may be forbidden, and a standardized flour be decided upon. Such a course might well mean a serious loss to the identity of the special products that each mill in turn has spent years, and tens of thousands of money, to establish. The latest order forbidding the sale by manufacturer or jobber of cereals in smaller quantities than 20 lbs. will not affect the mills adversely to any extent, especially as it is understood that licenses will be issued to cover a number of cereal foods, except oatmeal. The most serious possibility is considered to be that of a failure to finance the purchase of flour in Canada for export to Great Britain and France, but after a lapse in buying for nearly three weeks in October new orders were received the last week, and it is expected that, if these continue to the end of the year, the total export trade of Canada in flour for 1917 will reach $75,000,000. This would be nearly double that of 1916, and nearly four times that of 1913-14, and within a few millions of the total valuation of the flour manufactured in Canada at the time of the 1910 census.

Investor's Standpoint

From the investor's standpoint the year has been a most satisfactory and profitable one. Two of the mills declared bonuses in addition to the regular dividends, and all showed greatly increased profits, as will be seen by the accompanying list. In the case of one, the St. Lawrence Flour Mills Co., the position that the mill had reached as the result of a successful year was so favorable that it was decided to list the security on the stock exchnge.

How Profits Have Grown

The following figures show the comparative profits of some of the leading Canadian mills, and indicate the increase that the past year brought in every case:

Profits.

	1914	1915	1916
Lake of Woods	$ 518,920	$525,141	$ 569,747
Maple Leaf....	1,048,997	530,525	738,644
Ogilvie	581,943	774,270	1,358,847
Wes. Canada...	315,246	340,062	376,260

When the industrial possibilities of a staple line of manufacture like flour are being taken into consideration, particularly one that is already in universal use, and one that fluctuates little even under extreme price changes, the domestic end of the mill's business ceases to possess the interest that attaches to the possibilities of export. It should be noted, however, that there is to some extent the common enough process of the weaker giving place to the stronger. But in the flour industry this principle works out less than in most other industries, and the village grist mill stands as a landmark today almost to the extent that it did in the middle of the last century.

Government statistics bear out this statement as may be seen from the following table covering each province:

	1917 No. Mills	1917 Bbls. Daily	1915 No. Mills	1915 Bbls. Daily
Ontario	298	62,500	303	59,250
Quebec	103	16,000	34	14,080
Nova Scotia.	23	800	30	905
New Bruns..	28	1,000	46	1,720
P.E.I.	21	700	20	735
Manitoba ...	32	15,000	36	16,050
Sask.	53	7,500	43	9,075
Alberta . ..	41	11,000	28	9,050
Br. Col.	1	500	3	1,000
Total	600	115,000	513	111,865

Increase in Capacity of Mills

The capacity of the Canadian mills has been increasing fairly constantly, as the table shows:

Year	Bbls Daily
1917	115,000
1916	111,450
1915	111,865
1914	112,000
1913	111,200
1912	100,315
1911	100,373
1910	95,040

From this table it will be seen that in Ontario in a two-year period the total number of mills was only five less, although in Nova Scotia and New Brunswick the loss was greater. However there were increases in Saskatchewan and Alberta, and the total number in 1917 exceeded those of 1915. (The list for Quebec would suggest an inaccuracy for either of the years.)

Rich Promises in Export Field

It is then chiefly to her export trade that the Canadian mill must look for its greatest future development, and there is probably no other industry in Canada that holds out such rich promises. Nor are these the rainbow hopes of a transient war-time activity. The list given below will show the great diversity of the market abroad, nearly sixty distinct countries in all, including small quantities to Japan, China, Egypt, Italy, Venezuela, Malta, Gibraltar, Bermuda, South Africa, and other countries in addition to those listed.

To France After War As Well.

Next to Great Britain, France was Canada's largest customer for the year ending March 31 last, with over 1,000,000 barrels. As the export to France was practically nil two years before, this must be looked at as an accident of the war, although it is expected that France will require Canadian flour for many years after peace is declared, with all the devastation that has befallen her flour mills, and especially the agricultural end of the industry, to say nothing of the terrible wastage of human life. But with this exception, and an increase to England that is likely also to be maintained for some time, the other customers may be viewed as regular ones under normal conditions. Few other industries can muster this vast array of trading possibilities as well as actualities.

Not only in the numbers of its customers has Canada's trade in flour shown a surprising development, but in the infinitely more important factor of the quantity exported. For instance:

Year End'g Mar. 31	Bbls.	Value
1890	115,099	$ 521,383
1900	768,162	2,791,885
1910	3,064,128	14,859,854
1911	3,049,046	13,854,790
1912	3,738,836	16,034,064
1913	4,478,043	19,970,689
1914	4,832,183	20,581,079
1915	4,952,337	24,610,946
1916	6,400,214	35,767,044
1917 (March 31)	7,425,723	47,473,474
1917 (to Dec. 31)	est.8,400,000	75,000,000

The real export business of Canada belongs to the present decade. From these figures it will be seen that during the years 1910, 1911 and 1912, there was a comparatively small increase in flour exports, and the years 1913, 1914 and 1915, averaging alike, about 1,000,000 barrels each higher than the previous three years, showed little comparative gain, the one over the preceding, but between 1915 and 1916, the latter date representing from April 1, 1915, to March 31, 1916, exports increased by nearly 1,500,000 barrels. Between March 31, 1916, and one year later, the increase was another million. For that year the average per month was slightly over 600,000 barrels, with a valuation of slightly under $4,000,000.

Would Equal $75,000,000 Per Year

During the present year the export trade in flour has grown rapidly. For the month of March itself the export was valued at $6,024,337 compared with $3,467,763 for March, 1916. Coming to August, 1917, the export of flour was over 1,000,000 barrels (1,050,037) and the value set thereon, $9,578,926. For the five months ending August 31, there were 3,565,830 barrels exported, with a value of $30,830,027, which would represent, if the proportion had been kept up, nearly $75,000,000 for the twelve months. By barrels the proportion would bring the year's total to 8,400,000, or nearly double that of 1914-15. It was a volume of this magnitude that was responsible for the Ogilvie Flour Mills Co., for instance (in handling its share), being compelled to run to capacity the whole year, with no abatement for carrying out the usual "necessary" overhauling.

From the standpoint of exports, with values, to individual countries, the accompanying list contains some valuable comparisons.

FOREIGN MARKET POSSIBILITIES.

Exports (in bbls.)

	1916	1915	1914
United Kingdom	3,894,511	3,137,146	2,794,657
Brit. South Africa	210,689	317,807	246,856
British Guiana	119,192	85,723	80,992
Brit. West Indies	380,899	499,932	492,687
Newfoundland	273,632	245,360	286,813
France	1,002,873	77,331	1,400
Holland	34,056	86,351	90,043
Hong Kong	30,532	59,627	154,064
Norway	78,410	188,066	169,233
United States	250,220	52,429	19,436
Turkey	....	350	114,706

Value of Exports.

	1915	1916	1917
United Kingdom	$15,901,713	$21,812,179	$26,006,600
United States	232,967	1,259,898	1,267,933
Br. South Africa	1,573,395	1,313,980	761,718
Br. West Indies	2,340,259	2,074,670	2,317,565
Newfoundland	1,374,529	1,711,928	2,490,572
Other Countries	3,188,083	7,594,389*	14,629,086*

*No details are given as to the chief destination of these last quantities, but France was the largest.

Growth of Exports.

From these figures referred to it will be seen that British export grew 40 per cent. the first year, and 22 per cent. the second. The export to South Africa was cut in two on account of difficulty in getting space on vessels, but trade with Newfoundland nearly doubled, and with "other countries" almost quadrupled. A portion of the increase was due to high prices, of course.

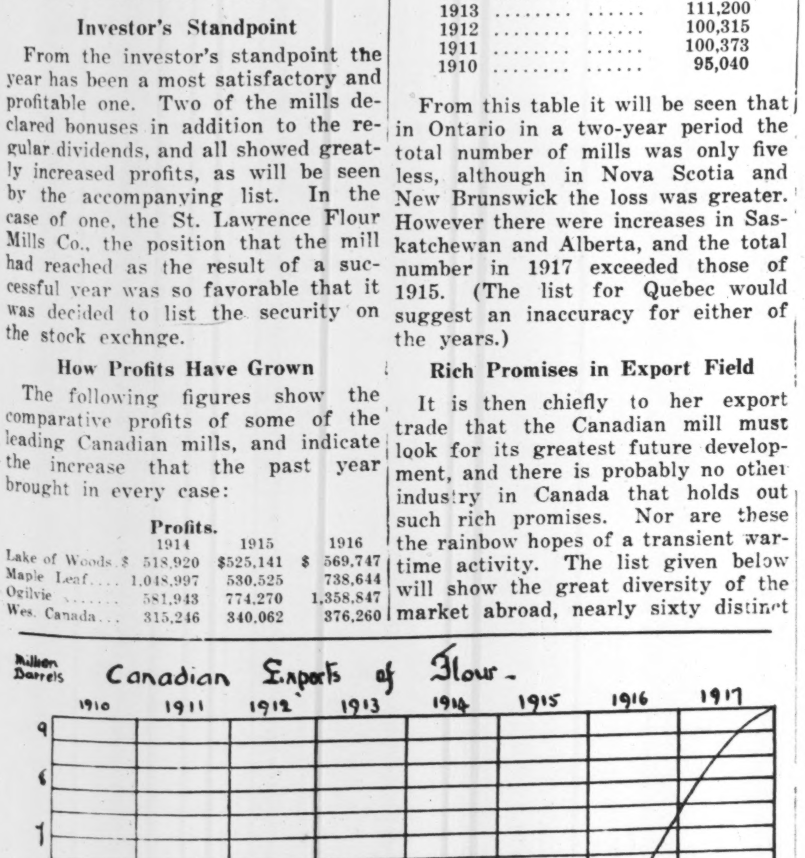
In the British Markets.

One other table is important in this connection, that showing the relative position held by Canadian mills in competition with the rest of the world in the British field. It will be seen that the United States and Canada before the war, as now, were almost without rivals, as Australia, France, and Germany supplied small quantities only. In the last year Canada gained on the United States, and Australia was called on for a substantial quantity, but after the war it is expected that Canada and the United States will have a heavy advantage over other countries farther away from Europe, as shipping then will be as valuable a factor as now. This list is taken from official British figures and indicates the imports to that country in hundredweights (112 lbs.)

Bran Exports

The other products of the mill are comparatively unimportant from the standpoint of export. What bran is sent out goes mostly to the United States.

Continued on page 31.



PRACTICAL ECONOMY OF
McLAUGHLIN
VALVE-IN-HEAD

Design of Cylinder of
McLAUGHLIN VALVE-IN-HEAD MOTOR

There are three types of motors used in motor cars:

1st. Motors having valves in the head or directly over the piston ends as in the McLaughlin motor.

2nd. Motors with valves in a side chamber called an "L" head motor.

3rd. Motors with one valve in each of two side chambers called a "T" head motor.

The advantage of the valve-in-head motor is daily more fully recognized. It has no valve pockets. It has less water-jacketed space than any other type of motor. It clears itself quickly and completely of dead gases after each power stroke. It is the most efficient and powerful of gasoline motors.

The number of miles per gallon is an important item always—and especially when the cost is high.

Owners of McLaughlin cars get the greatest gasoline mileage due to the valve-in-head principle of motor construction.

Many owners of our D-4-35 get as high as 25 miles per gallon, and owners of D-6-45 model frequently get 22.

This reduces the motoring cost to Canadians who buy Canada's Standard Car.

Send for Catalogue of New 1918 Series "E"

Branches in Leading Cities — Dealers Everywhere

The McLAUGHLIN MOTOR CAR CO., Limited
OSHAWA, - ONTARIO

MODEL E-SIX-45 SPECIAL VALVE-IN-HEAD TOURING CAR

AUTOMOBILES--A Great Development

Industry Which Has Shown Remarkable Growth is a Reflection of the Prevailing Good Times—May be Affected in the Readjustment—Prices Are Advancing—Question of Gasoline Supply is Not a Serious Problem of the Near Future.

CANADA'S IMPORTS OF AUTOMOBILES AND MOTOR VEHICLES.

	1912	1913	1914	1915	1916	1917
United States..	$6,045,609	$9,084,726	$6,528,086	$4,591,182	$5,065,827	$8,551,475
United Kingdom	342,600	583,910	621,979	252,898	23,502	30,350
France	116,326	54,627	63,310	43,724	......	......
Other countries	6,580	15,576	......	900	......	800
Total	$6,511,115	$9,738,839	$7,213,375	$4,888,704	$5,089,329	$8,582,625

IMPORTS OF PARTS OF AUTOMOBILES.

	1912	1913	1914	1915	1916	1917
United States..$	850,906	$ 763,129	$3,926,077	$2,142,895	$4,536,731	$7,173,423
Other countries	25,804	15,819	40,302	23,298	13,749	26,594
Total ....$	876,710	$ 778,948	$3,966,379	$2,166,193	$4,550,480	$7,200,017

EXPORT VALUES OF CANADIAN-MADE AUTOMOBILES.

	1912	1913	1914	1915	1916	1917
Great Britain.$	51,450	$ 74,424	$ 320,407	$ 76,050	$2,350,198	$ 218,218
United States..	196,984	190,070	138,978	97,013	75,138	61,047
Newfoundland..	3,800	5,730	6,125	5,162	7,780	9,216
Australia	558,747	840,337	1,272,468	1,101,284	2,712,392	1,473,226
New Zealand...	243,071	382,105	411,267	479,178	945,288	501,163
Other countries	389,859	792,154	1,422,617	887,137	2,807,005	2,342,029
Total	$1,443,911	$2,284,820	$3, 571,862	$2,645,824	$8,897,801	$4,604,899

TEN years ago had it been suggested that an article on the automobile industry should be included in a publication reviewing the industrial progress of the day, the idea would probably have been negatived. The automobile was then very largely a fad and the industry had not been established on that solid basis of practical utility on which it now stands. The modern automobile industry, in which the co-operative standardization of parts forms the dominant factor, only dates back a decade and is really quite a recent development.

As it has been well put, co-operation between the manufacturers produced standardization and standardization enabled quantity production, and the low price which quantity consumption warranted has caused automobiles to be bought by millions, and the purchase of the automobile in millions, instead of thousands, has made the hundreds of millions of dividends which this wonderful mine of profits has yielded.

Since 1907 the automobile industry has grown by leaps and bounds, both in the United States and in Canada. In that year the output in the United States was 44,000 cars and the value, $93,400,000. The next year 85,000 cars were built, valued at $137,800,000. In 1909 the production jumped to 126,500 cars, and in 1910 to over 200,000 cars. Last year, 1916, 1,525,578 cars and 92,130 trucks were sold, totalling over one billion dollars in value.

The Canadian Industry

The rapidity of growth of the automobile industry in Canada, as illustrated by statistics of registration of cars, is one of the most astonishing phenomena of the times. Three years ago there were less than 50,000 cars in use in the whole of Canada. By the end of the present year it is estimated that there will be at least 180,000. Counting the population of Canada at seven and one-half millions, that means one car to every 42 of the population, which, considering the character of much of the country, is a remarkably good showing.

Figures compiled at the first of September show that the Province of Ontario owns 75,000 cars or not much short of half the total for the Dominion. That is one car to every 33 of the population. Compare this with the State of Pennsylvania, with one car to every 32 of a population, and to New York, with one car to every 26 people, and remember that there are vast stretches of New Ontario not suited to motoring and that the cost of cars is higher in Canada than in the United States, and Ontario's record is by no means an inferior one. Even at that, there are fourteen states in the union where there are fewer cars in proportion to population than in Ontario.

Other provinces do not come up to Ontario. Saskatchewan takes second place with 31,084 cars, this comparing with 13,894 cars at the end of last year. Quebec has close to 20,000 cars, as against 15,335 in 1916. Alberta stands fourth with almost 18,000 cars, or nearly 100% more than in 1916. Manitoba owns nearly 17,000 cars; British Columbia, 12,000; Nova Scotia; 5,000; New Brunswick, nearly five thousand; Prince Edward Island less than 100.

Importation of Cars.

It is estimated that 60,000 new cars will have come into use in Canada during the year. Of this number probably 16,000 will represent cars imported from the United States, the balance being Canadian-made automobiles or cars which are assembled in Canadian automobile factories.

Up to the season of 1912 the importation of American cars steadily increased, and in fact the bulk of the new cars put into use in Canada were American-made. About that time, however, the Canadian industry began to become a factor and in the season of 1913 there was a pronounced falling off in the number and value of American cars coming into the country. The first year of the war witnessed a still further decline and even in 1915 there was only a very small gain in imports of American cars. The fiscal year 1916-17, however, was notable for a considerable increase in American car importations, and during the present year there has been yet another gain.

It is not to be inferred from this that the increase has been at the expense of the Canadian product. As a matter of fact the Canadian output has itself grown remarkably. The explanation lies in the fact that war-time prosperity has led to the purchase of a greater variety of cars, and among them more expensive makes.

What has been stated in the foregoing paragraph regarding, first, the decline in the importation of American cars, and, second, the increase in the production of Canadian cars, is borne out by the statistics of automobile parts imported. These represent in the bulk those component parts of Canadian cars which are made in the United States and afterwards put together in Canada. Referring to the fiscal years ending March 31 in each case, it is to be noted that between 1912 and 1913 there was a decline in imports of parts, coincident with an increase in imports of completed machines. Between 1913 and 1914, however, the importation of cars dropped by a value of $2,500,000, while the importation of parts increased by over $3,000,000. Between 1914 and 1915 there was a decline in the imports of both cars and parts, due to war influences, but between 1915 and 1916, while cars came in in practically equal numbers, the entry of parts was more than doubled. Again, for the last fiscal year there have been heavy gains in both items. All these figures are set out in Table I. accompanying this article.

The Export Trade.

While dealing with trade returns reference might be made to the exports of Canadian-made cars. During the past five or six years, shipments of automobiles abroad have formed quite an important item in Canada's export trade. Especially to other parts of the British Empire, where preferential tariffs have given the Canadian product an advantage, have large numbers of cars been sent. Australia in particular has been a good customer. In the fiscal year 1912 cars to a value of over half a million dollars were sent across the Pacific. In 1914, this grew to over $840,000, while in 1915, the figures crossed the million mark. By 1916, exports to Australia had grown to $2,712,392. Then last year there was a very decided set-back and values dropped to $1,473,226. This was coincident with a great increase in domestic business which caused a cessation of effort in the direction of export trade.

Source of Much Revenue.

While much is heard in criticism of the automobile as a source of wasteful extravagance, it must not be overlooked that it is furnishing to-day one of the most important sources of revenues in the country. Assuming that Canada imports from the United States this year 16,000 cars—between September, 1916, and August, 1917, she imported 15,682,—there would be collectable a 35 per cent. duty on the value of all these cars plus a 7½ per cent. war tax. The customs' returns give an average value per car of between $650 and $700, say $675. At this figure there would be collectable in duties, the huge sum of $4,590,000.

But this is not all. There will be imported in automobile parts and accessories, a value of approximately $8,000,000. On this additional sum, there will be collected $2,800,000 in round numbers, which, with the duty on the completed cars, gives a gross total in duties of $7,390,000. It is obvious that were the automobile business suddenly to cease, the country would be at once deprived of a revenue which it would be difficult to replace.

The Dominion government having taken toll of the automobile through the department of customs, the several provincial governments get after automobile owners through the provincial license departments, reaping a large harvest in this way.

The Canadian Industry.

There has been no marked change in the situation regarding the manufacture of automobiles in Canada this year. That is to say no new plants have been established for the assembling of parts and the completion of so-called Canadian cars. Nor has there been any extension worth noticing of the manufacture of the component parts of cars in Canada. This country is not, nor will it be for many years, in a position to undertake the economical production of automobile parts.

Success to-day in the automobile business depends on the unlimited output of standardized parts. A Canadian company, manufacturing say 10,000 cars in the course of a year, is not in a position to produce 10,000 of a certain part itself at anything near the price it would be paying for its supply to an American manufacturer specializing in these parts and producing them by the hundreds of thousands. Extend this condition over the numerous parts entering into the composition of an automobile and it is easy to see that the Canadian manufacturer will be some time in reaching the point where he can afford to produce his own parts.

Prices Are Advancing.

Two causes are conducing to higher costs in automobile construction. One is the increasing scarcity and higher prices of the metals entering into the manufacture of automobiles; the other, the rising cost of labor. The automobile of the present day, with the one exception of the spokes of the wheels, is a complete contrivance of metal. To substitute any other materials in its construction, is out of the question. The advancing costs of metals must, therefore, be faced and the rise added to the selling price. For two years now prices have been advancing and there is little expectation that there can be any recession until after the war. Even then conditions may be such as to make it impossible.

The Labor Situation.

Canadian manufacturers of automobiles are making no serious complaints regarding the shortage of labor. That it has been felt, is admitted, but not to the extent of preventing the production of sufficient cars to meet the demand. The coming draft of class one men may develop a more serious situation in the industry, though this will be off-set, to a certain extent, by the return of discharged men from the front. Already a number of these returned soldiers are being broken in, in the automobile factories and repair shops, and by the time the draftees are taken out, the newcomers will be ready to take their places.

The Gasoline Supply.

During the year the statement has frequently been made that there will have to be rigid economy in the consumption of gasoline and that restrictions in the use of automobiles will soon be enforced. Those conversant with the situation see no immediate occasion for apprehension on this account. So good an authority as A. C. Bedford, president of the Standard Oil Company and member of the oil committee of the U.S. Council of National Defence, says that not only is there no immediate danger of a gasoline or oil shortage but that "with a fair maintenance of production," there is sufficient gasoline and oil in sight to take care of all needs, including the probable increase in civil and war consumption for at least five years to come. The production of the Eastern, Texas, Mid-Continental and California fields in August showed an increase of 1,453,047 barrels over July and the September production was much in excess of that of August.

Future of the Industry.

How long will the present remarkable prosperity of the automobile industry continue?

Just as long as times are prosperous. The growth of the industry has been one of the outcomes of the present wave of war-time prosperity. And just here it should be pointed out that it is erroneous to assume that the automobile is primarily or even largely used for pleasure. It has been computed that three-quarters of the automobiles in use in Canada are directly employed in business. They may on occasion, as at week ends, be diverted for pleasure purposes, but this use is merely incidental. Most of them have been acquired because their owners believe they can be utilized with advantage in business affairs and the cost of operating the cars is charged up against the business benefited.

Now everybody is aware that the present era of prosperity is due to a shortage of labor in practically all departments of human activity. In agriculture, in industry, in transportation, in mercantile affairs and in the professions, men are attempting bigger tasks with fewer numbers. As a valuable time-saver, the automobile has again and again demonstrated its usefulness and thus cars have been purchased, not entirely to gratify the desire for pleasure but for economic reasons.

As soon as the condition is removed which makes the automobile an economic factor in business, the main reason for its possession will, of course, be removed. It can be conceived as possible that a time of great financial stringency will follow the conclusion of the war, when the pressure under which so many workers are now existing will be removed and when the cost of keeping an automobile will no longer be offset by those gains which its possession hitherto has made possible. Should such a period of depression follow the war, the word finis may be written to the present era of extraordinary prosperity in the automobile industry.

At the same time the utility of the automobile will have been so clearly demonstrated that there will be no halt to its general application to the business of the country. As yet the farmers have not risen to the full possibilities of motor power for haulage, ground cultivation and other uses to which the horse is now put. But it is really only a question of time until the horse will disappear from the farm as it is steadily disappearing from the cities. Even after the war we may look for a period when the supply of food will be less than the normal demand and the farmer will be hard driven to maintain and increase the production of food stuffs. A great opportunity will accordingly be afforded the manufacturer, not only of automobiles but of the motor tractor and the motor truck, in promoting the use of these machines on the farm.

TEXTILES—Industry Shows Solid Growth

Continued from page 25.

figures of imports. The returns for 1915 and 1916 (up to March 31 in each case) are below normal as trading fell off considerably during these two periods. Following are the imports:

Socks, Stockings and Underwear.

	1917.	1916.	1915.
Wool ...	$1,685,320	$1,170,443	$1,627,920
Cotton .	1,989,852	913,422	725,661
Silk	338,741	233,196	318,394
Ttl. imp.	$4,013,913	$2,317,061	$2,661,975

A similar condition does not exist in the case of woolen manufacturers, where the imports are very heavy. In tweeds alone in the year, up to March 31, Canada imported over two million dollars worth, and in other woolen cloth lines over $16,000,000 worth.

One of the disadvantages before the woolen industry in Canada is the failure of the sheep industry to develop, and with it the production of wool. In the decade between 1900 and 1910 the wool production of Canada declined from ten to six millions, and it has decreased since that time.

One of the developments in the textile industry in the past year has been the formation of the Canadian Textile Institute, which will work in conjunction with the technical schools in assisting in the instruction of textile operators, and it is hoped to develop this work by higher training, and also by establishing and equipping laboratories.

FIGHTS FRATERNAL SOCIETY.

Executor Seeks To Recover Value of Insurance Policy Lapsed.

A suit was commenced last week in the non-jury assizes in Toronto by Daniel Baker, executor under the will of his father, Slade Baker, to recover the sum of $3,000 from the Order of Canadian Home Circles, the amount alleged to be payable on a life insurance policy issued by the defendants to Rachel A. Baker, wife of the plaintiff. In May, 1914, the monthly premium was raised from $3 per month to $21.79 per month, which, it is claimed, was a complete alteration of the system of assessment upon which the said Rachel A. Baker entered the society, and that was an attempted cancellation of the old contract, and an attempt was made to make a new one which was unauthorized. In October, 1914, Rachel A. Baker died, after one or two monthly payments under the new order had been made under protest, but it is claimed by defendants that as one month was not paid the policy had lapsed.

Baldomero A. Almada, general purchasing agent for Mexico in United States, says that the Tampico oil wells supplied 8,000,000 barrels of oil last year and will supply 24,000,000 this year.

WE HAVE
UNEQUALLED
FACILITIES
FOR
SUPPLYING
POWER

6 AUXILIARY POWER PLANTS
OF 240,000 HORSE POWER

The Montreal Light, Heat & Power Co.

Canada Will Lead the World in Pulp and Paper

The Supplies of Natural Materials are immense and widely diffused.

An Adequate Market is near at hand, and the World Markets are open.

The narrative that follows relates particularly to The Riordon Pulp and Paper Company, Limited—Remarkable Growth of this Company—Factors in Its Success.

THE phenomenal success of the Riordon Pulp and Paper Company is the result of two factors; on the one hand a strategic situation and on the other an alert, an efficient executive who have had the foresight to take advantage of that situation and the ability to carry out extensions which were to prove profitable to the shareholders.

THE Canadian Pulp and Paper industry is at last coming into its own and it may be truly said that few industries have greater natural advantages. Of raw material there is a huge supply, the forests of eastern Canada containing great stretches of spruce, pine, fir, hemlock, etc., while the matter of water power can cause no anxiety as there is an abundance and it can be developed at low cost.

A rapidly expanding market is to be found near at hand, both in Canada and the United States. In the North Eastern States particularly, the consumption of all kinds of pulp products is enormous and at the same time competition has dwindled, the war having diverted to Germany most of the Scandinavian supply, while depleted timber limits and rising costs are hampering American operations. The result has been that the Canadian pulp and paper industry has had a splendid chance to develop and it is fast becoming one of Canada's most substantial assets.

This fact is one factor in the success of the Riordon Pulp and Paper Company. The other factor is wide-awake management having the capacity to utilize to the full the natural existing advantages for the development of the industry in which they are interested.

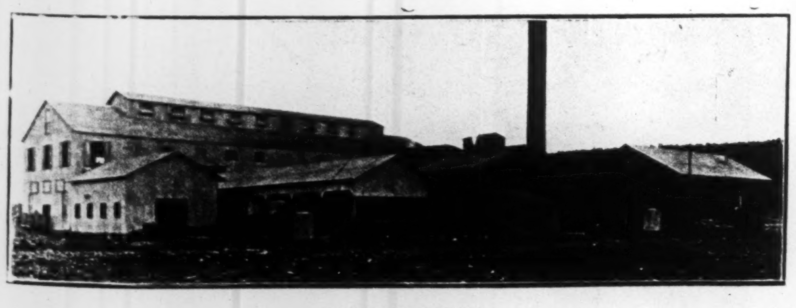
THE RISE OF RIORDON

THOUGH Riordon is a new name in the stock market, it has been familiar in pulp and paper circles for very many years. The rapid development of the company during the past few years has brought it more into the limelight, but its growth has not by any means been of the mushroom variety, for a record of half a century's steady progress shows that the position which the company has reached is due quite as much to efficiency as to new opportunities.

Four years before Confederation, the Riordon brothers formed a partnership to carry on the paper business. The junior partner then, Charles Riordon, is to-day head of the Riordon Pulp and Paper Company. His son, Carl Riordon, is vice-president and managing-director, so that the present management has a unique record of experience and achievement in the industry.

STEADY EXPANSION

THE history of the firm is a record of steady expansion. In 1863, The Riordon brothers began to make wrapping paper in a mill at St. Catharines. The capacity of the mill was 1½ tons a day—just about 1/150 of the present output. A few years later, in the year of Confederation, in fact, the firm took a great step forward. At Merritton they built one of the finest paper mills in America with an output of 10 tons a day. A little later they were among the first on the continent to adopt the new method of making paper from wood pulp instead of the straw and rags used in the old process. In 1885 on the death of John Riordon, Charles Riordon became the head of the firm. Two years later, the firm took the lead in a great development. Charles Riordon took a prominent part in bringing the sulphite pulp process to America. The sulphite mill of 30 tons output was built at Merritton, and it was not long before the Riordon unbleached sulphite pulp had made a splendid reputation for itself throughout the continent. Meanwhile the family had acquired other interests. In 1871, they bought the Toronto Daily Mail, later the Daily Mail and Empire, one of the most important dailies in Canada—a paper which the Riordons still control.

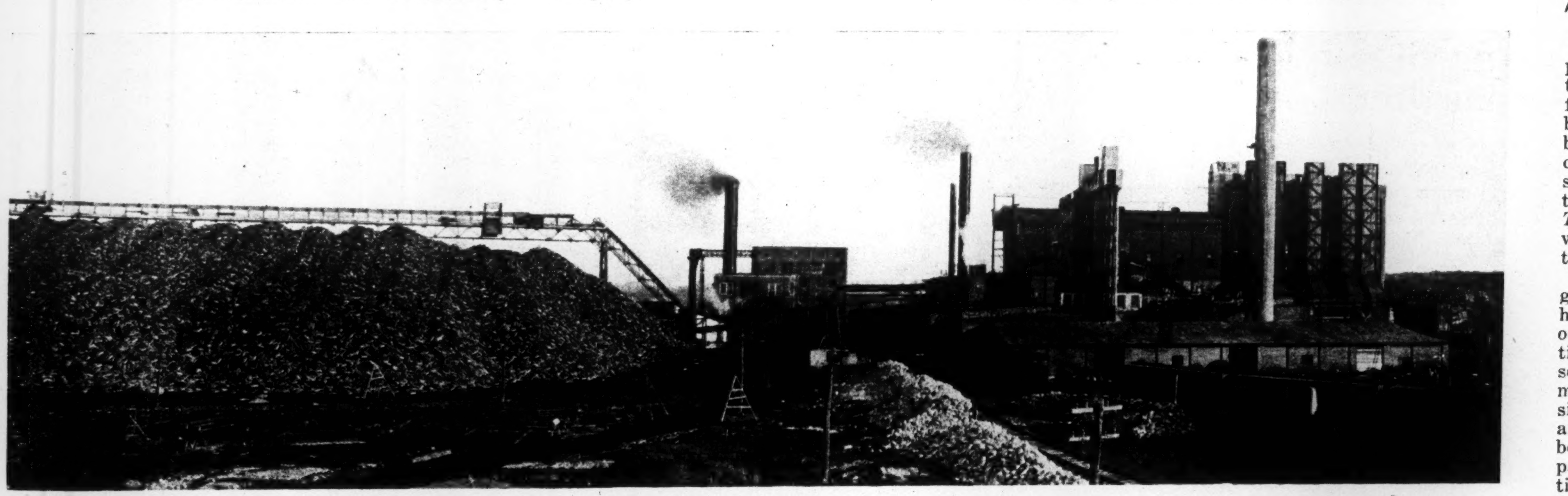


CALUMET MILL

CONTINUED GROWTH

THE last twenty years show an accelerated rate of expansion. In 1898, two great steps forward were taken. A sulphite mill was built at Hawkesbury, Ont., with a capacity of 75 tons per day, and 600 square miles of valuable limits along the Rouge River in the Province of Quebec were purchased. The next landmark in history of the company is the absorption in 1910 of G. H. Perley & Co. This meant more timber limits adjoining the former purchase, a saw mill at Calumet, Que., with a capacity of 75,000 ft. of lumber per day (besides shingles, clapboards and ties), and three smaller saw mills in the Rouge district.

The next year brought mixed good and evil. The mill at Calumet was burned down; but this only meant greater expansion. The mill was rebuilt in steel and concrete with an increased capacity. Recently the Merritton mill has also been rebuilt in steel and concrete. In 1912, the company was organized in its present form. Last November, 1916, a bleaching plant was put into operation at Merritton, which means the manufacture of a much more valuable product then the unbleached pulp. In addition, the daily capacity of the Merritton mill has been increased to 40 tons. A very recent acquisition is a plant at Haileybury, which saws 30,000 feet of lumber per day and barks 200 cords of pulpwood (for the mill at Merritton). The Merritton and Hawkesbury plants are still expanding. The present output of sulphite pulp is 220 tons a day.



HAWKESBURY MILL

A SUBSIDIARY ACQUIRED

A GIANT stride was made in 1916 when a controlling interest was purchased in Ticonderoga Pulp and Paper Company of New York. This company has been for years one of the chief customers of the Riordon Company. It does a highly profitable business in soda pulp and high grade book papers and the new acquisition besides providing a steady market for sulphite pulp is adding appreciably to the financial strength of the Riordon Pulp and Paper Company.

Mention should also be made of water powers owned by the company. These water powers are near the Merritton and Hawkesbury mills and are capable of developing about 30,000 horse power. They suggest interesting possibilities.

A SOUND POLICY

The Riordon record, then, is one of steady expansion. The policy of the company has been to keep in the lead by using the newest inventions and the most up-to-date machinery; to extend and conserve its valuable timber holdings which grow more valuable yearly and to increase its output as rapidly as conditions warrant. The justification of that policy is to be found in the standing of Riordon to-day.

MANAGEMENT

THE management of the company is still in the hands of those who have guided it so skilfully in the past. The president is Charles Riordon, identified with the business from its inception and the chief factor in its success. Mr. Riordon is also President of the Mail Printing Company, Toronto, publishers of the Mail and Empire; of the Niagara Falls Suspension Bridge Company; of the Buffalo Contractors Plant Corp. and of the Ticonderoga Pulp and Paper Company.

Carl Riordon, a son of Charles Riordon is Vice-President and Managing Director. He is also Vice-President of the Mail Printing Company, a director of the Niagara Falls Suspension Bridge Company and of the Buffalo Contractors Plant Corporation, and Vice-President of the Ticonderoga Pulp and Paper Company.

The directorate also includes Jas. S. Douglas, Toronto, Business Manager of the Mail Printing Company, Chas. E. Read, Ottawa, Walter G. White of New York and S. B. Pemberton of Montreal, F. B. Whittet is Secretary-Treasurer of both Riordon Pulp and Paper Co. and Ticonderoga Pulp and Paper Co.

The head office is in Montreal, at No. 355 Beaver Hall Square, the property of the company.

RAW MATERIAL AND PLANTS

Riordon is well provided with raw material. The company owns and controls 1,184 square miles of splendid timber on the Rouge River, Quebec. These limits are held from the Province of Quebec under renewable licenses which give the right, subject to the government regulations, to cut all the timber on the limits. This timber is more than enough for another half century's operations at present capacity and is excellently located to supply the Hawkesbury mill via the Rouge and Ottawa Rivers.

At Hawkesbury the company has the largest sulphite mill in Canada—the second largest in North America. This mill is operated by lowest electric power and has an annual capacity of 60,000 tons.

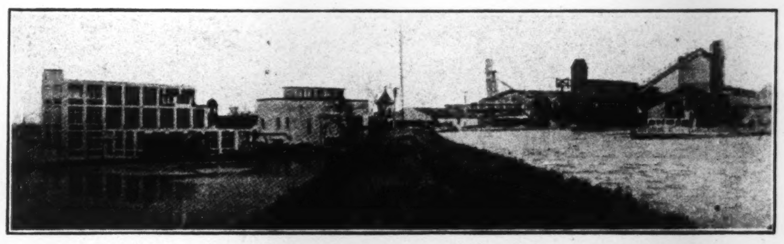
The mill at Merritton has an annual capacity of 10,000 tons of the high-priced bleached sulphite pulp. The plant is driven entirely by water power which the company owns and operates at an exceptionally low cost.

SAWMILLS

IN addition to its outoutput of pulp, the Riordon company has a large lumber business. The mill at Calumet, Quebec, has an annual capacity of 20,000,000 feet of lumber, besides clapboards, shingles and ties. This mill is a marvel of construction and up-to-date equipment and is driven by steam power generated from its own refuse. The company also owns a mill at L'Annonciation and the Boule and Quennouille mills, near St. Faustin, Quebec. The saw mill at Haileybury has an output of 30,000 feet of lumber per day.

TICONDEROGA

BESIDES these plants of its own, Riordon owns over 70 per cent. of the $360,000 common stock of the Ticonderoga Pulp and Paper Company of Ticonderoga, N.Y. This company has a daily output of more than one hundred tons of soda pulp and specialty papers. Last year its net earnings amounted to $509,075, which, after the deduction of bond interest and preferred dividends, left about 126 per cent. for the common stock. In June, 1917, 10 per cent. dividend was paid, and recently another dividend of 10 per cent. was declared payable Dec. 1st. In view of the excellent earnings further distributions may be expected. Ticonderoga utilizes as its raw material much of the output of the Riordon Company.



MERRITTON MILL

RECORD OF EARNINGS

A PERUSAL of the annual reports of the Riordon Pulp and Paper Company reveals a situation most satisfactory to shareholders. The substantial growth of the company's net earnings have increased from $306,834 in 1912 to $1,526,615 in 1916. In the same period, the balance available for the common, after payment of bond interest and preferred dividends has increased from $89,228 to $1,165,737, which is nearly 26 per cent. on the common. The accumulated surplus has increased from $89,228 to $1,338,870. In the 1916 balance sheet occurs an important item, "investments in the capital stocks of the Ticonderoga Pulp and Paper Company and other companies and Canadian Government War Loan $619.268.44."

A comparison of the figures since 1912—when the company was organized on its present basis—shows clearly the expansion of Riordon and its financial strength.

	Net Earnings	Profits	Surplus	Deprec. Reserves
1912	......306.834	136 249	89.228	30,400
1913	309,679	138 073	157,301	48.953
1914	......375 862	157.078	244,380	65,951
1915	427,049	201 254	375,634	69,862
1916	. ...1,526 615	1.235,737	1,338,870	149,480

RECENT EARNINGS

THE annual statement for the year ended December 31st, 1916, shows current assets more than twice the current liabilities ($1,910,560.65 as against $944-248.00), a surplus of $1,338,870.34; outside investments of $619,268.44 and profits amounting to 25.90 per cent. on the common stock (123.57 per cent. on the preferred).

The common stock authorized and issued amounts to $4,500,000. In addition the company has issued $1,000,000 preferred stock (7 per cent. cumulative). Of the $2 500,000 bonds authorized, only $2,041,800 are outstanding.

MARKET HISTORY

THOUGH an old industry in Canada, the name of Riordon until recently was more familiar to English bondholders than to Canadian investors. Last year a strong Montreal group acquired some of the minority stock from British shareholders and Riordon Pulp and Paper was listed on the Montreal and Toronto stock exchanges. The paper stocks were in special favor just then and this fact added to the remarkable merits of Riordon, led to a spectacular rise. In November, 1916, Riordon common reached high water mark of 150. In the December panic it reacted as low as 111. In the early part of 1917 reports of increased earnings helped to bring about a recovery to 127.

The announcement in April, 1917, of the super-tax on profits brought another reaction to 108. For some months Riordon has oscillated around 117. At the date of writing (October 13th, 1917) the last sale reported was at 117¾. Accounts of large earnings for the current year and rumors of dividend possibilities seem likely to bring about a revival of market interest.

DIVIDENDS

THE preferred dividends have always been consistently paid, but the directorate has not forgotten the claims of the holders of the common stock to share in the prosperity of the company. In May, 1916, an interim dividend of 1½ per cent. was paid and later in the year the common stock was placed on a four per cent. basis. A bonus of one per cent. was added for the last quarter, making a distribution of 4½ per cent. for 1916. In January, 1917, the present quarterly dividend of 1½ per cent. was inaurgurated and the quarterly bonus of 1 per cent. has been continued, so that the stock is now practically on a ten per cent. basis. In view of the large earnings this year and the satisfactory position of the company a further division of profits among the shareholders seems not unlikely.

THE OUTLOOK

THE outlook for 1917 is excellent. Part of 1916's business was done on old contracts at prices considerably lower than those prevailing to-day. Prices for 1917 are on a satisfactory basis. This year, too, the full benefit of the new bleaching plant completed in November last year should be reaped. Mr. Stevenson, the Sales-Manager, pointed out to *The Financial Post* the benefits which would accrue from this feature alone.

The demand for sulphite is still good. Competition from Sweden has greatly decreased and in spite of the limitation of shipping facilities, it has become possible to take some advantage of the British market. The earnings of the subsidiary, the Ticonderoga Pulp and Paper Company, continue to be excellent. The Riordon Company is not affected by the regulation of the price of newsprint, as its product is used altogether for the manufacture of high grade book, magazine, office and specialty papers.

For the present year, then, and presumably for some time to come, the outlook seems assured.

THE LONG VIEW

WHAT about the long view? Careful study and investigation seems to indicate that after the war the company should be able to compete with Sweden even in the British market. Costs of production in Europe have greatly risen and much of the increase will be permanent. Meantime the Canadian industry has greatly developed and is now strongly entrenched. For the great American market Canada enjoys unusual facilities and no political development is in the least likely to lessen these natural advantages.

Both Democrats and Republicans concur in a tariff policy favorable to the Canadian industry. No American party would venture to face the storm of protest from the press which a renewal of the old tariff abandoned in 1911 would rouse.

The United States is becoming more and more dependent on Canada for both pulp and paper. American buyers of the European product would be at a considerable disadvantage, even apart from price. They would have to carry larger stocks than do customers of Canada, who can quickly renew supplies. New uses for pulp—in particular as a substitute for more expensive cotton products—offer promise of larger consumption and the domestic market also is developing. Markets, then, are assured for the future. The raw material—the Canadian forest primeval—is ample. Economical production in Canada has been promoted by recent experience and by large extensions and improvements in plant. The prospects, therefore, of continued success for the Canadian pulp and paper industry and in particular for the Riordon Pulp and Paper Company are of the best.

Tremendous Development in Use of

Electric Power Manufacturing

IN CANADA

IN the United States, where conditions very generally correspond to those in Canada, a classification of the value of the product of large industries puts that of the electrical business in the fourth place. Food products, textiles, and iron and steel precede it.

All large modern industries are interdependent, but without exception the one which contributes most importantly to all the others is that of the production and distribution of electrical energy. Its rank in classified value, it must also be remembered, is reckoned without considering the stupendous saving of coal effected by the hydraulic generation of current.

United States Coal Reserves

IN 1910 it was estimated by the Geological Survey of the United States that, at the rate at which is was then being consumed, the known supply of coal of that country would be exhausted in one hundred years. Since that date the annual consumption has increased approximately 25%.

Coal Waste in Steam Power Generation

AT the average efficiency of steam power plants throughout the continent, 7½ tons of coal are required to generate one electrical horsepower year. In other words, every horsepower year that is hydraulically generated saves 7½ tons of coal. It really saves more than this because there is also unconsumed the coal used in mining, hoisting, transportation, etc., of fuel.

Coal Conservation by Hydraulic Generation

THE Electrical Development Company of Ontario, Limited, hydraulically generates 125,000 horsepower in its plant at Niagara Falls.

The coal conservation thereby effected approaches one million tons per annum.

Universal Application of Electrical Energy

MUCH has been written as to the extraordinary degree to which modern life in all its phases is dependent upon electrical energy. It is used now, rather as a sense than a commodity, and this without any general appreciation of the complex means employed to give service. It is not too much to say that every forward step in science is reflected in the application of this energy, and that its absence from any important undertaking is eloquent of obsolete and antiquated method and system.

Relation of Interest Charges and Total Operation Expense

IN considering the financial aspect of any Hydro-Electric Power Company one important phase presents itself. The capital investment is very great, while the annual expenditure for wages, repairs, etc., is, in a comparative sense, low. The fixed charges are therefore heavy. In most manufacturing undertakings, wages, repairs, renewals, etc., represent the major expense, while interest on invested capital is relatively less. Interruptions to or temporary loss of business from whatsoever cause are, therefore, greatly eased by the corresponding decrease in wages and kindred outlay. The fixed charges of course continue, but, these being the lesser figure, are not so serious. In the Power Company, however, there remains but little opportunity to decrease outlay when business difficulties arise, since the fixed charge constitutes the greater part of the burden.

Any action whether by a Government or an individual which threatens the stability of such an undertaking, involves a grave menace to those investors whose funds are represented in the Company's plant and property.

Canadian Finance—Past, Present and Future

IN a discussion with a well-known financial man of the matter of British investment in Canada after the war, it became quite clear that the time would not come again when English money would be poured so freely and unquestioningly into this country.

British investors have approximately $3,000,000,000 in Canada; United States investors have approximately $1,000,000,000.

In 1913, out of $374,000,000 of Canadian securities sold by Canada, Great Britain took 74%; in 1911 76%; and in 1908 84%. In 1915 our sales dropped to $48,000,000, and in 1916 to $5,000,000. Of the latter, Great Britain took 1½%. The reason is obvious.

Apart from the above it is estimated that Great Britain has in past history spent not less than $1,000,000,000 in Canada and in Canada's interests.

Before the war the natural market for our securities was in the Mother Country. During the war we marketed many millions of bonds in the United States. To-day these bond markets are, for natural causes, unavailable.

There has been expended in Canada by Great Britain in war contracts some $2,000,000,000 to date, of which Canada herself advanced $600,000,000. Any further similar expenditure will require to be financed in Canada in the shape of credits to the Mother Country.

Consider now the total indebtedness incurred by the warring nations. This cannot be stated with absolute accuracy, but the safest estimates put the sum at one hundred thousand million dollars.

These figures baffle the imagination, but, however grave they are, there is another and equally serious phase of the situation which demands our closest attention.

Assume that the approaching Canadian Loan of $150,000,000 were to be invested as before the war in revenue-producing and wealth-creating undertakings. In such case the money when spent would be represented by corresponding assets, such as railways or harbor works. But money put into war uses goes for the large part into appliances and material which is forthwith destroyed, and there remains but little which can be called a national asset.

Labour Conditions After The War

WITH this in mind, dwell for a moment on the labour situation, which will probably arise when peace is declared. Credit will have been so strained that industrial investment must perforce be for a time severely limited. The price of labour will consequently decrease and with it the cost of living. We shall, too, without doubt, face a new condition in which labour in the mass will demand increasing recognition and recompense. If our disbanded army can be persuaded into food-producing occupations all will be well and our national course be made thereby easier.

The Credit of Canada

TEN years ago the belief of London capitalists was that Canada, being of one blood with the Old Country, the investors of the latter would be treated at least as kinsmen. This result has not always been realized.

An additional cause of uneasiness has been the tendency of Provincial Governments to emasculate those legal rights and privileges under which foreign investments were made. In Great Britain a contract is a thing of serious and unquestioned value, but we are unable invariably to apply the same description in, say, Ontario, where the Government arrogates to itself a right of repudiation of agreements which it would not extend to the individual citizen.

After the war, Canada, both as affects its Government and its financial houses, and its citizens, will be required to give security as never before for investments made from without. In order to give this security we must perforce adopt a sane economic policy, one that will wisely conserve and administer our vast natural resources.

Electricity and Munitions

OF the two billion dollars spent by Great Britain in Canada during the last three years the major part has been for munitions. Without electrical energy it is questionable whether a single dollar of this vast sum could have been earned. To light factories, foundries and machine shops, to drive lathes, drills, presses and boring mills, to weld, to smelt, to grind metals of every description—to do all this effectively, electrical energy is to-day essential.

A Modern Essential

IF it is asked to what manufactures this type of power is particularly applicable, the answer is brief: To all those which require reliable energy or light that is flexible, cheap and safe.

And this is what we make and distribute. The Toronto Power Company, which owns and operates the plant of the Electrical Development Company, is a line between Great Britain and Canada. Into its business has gone the investment of the one and the ability and brain of the other.

This Company is engaged in the scientific utilization of a great natural resource, and in the supply of a technical product of which the future can be measured only in terms of the progress of modern civilization.

Toronto Power Company, Limited

12 Adelaide Street East **TORONTO**
]

SUGAR--A Very Uncertain Outlook

Government Regulation, Owing to Shortage of Supply, Has Very Seriously Interfered With the Operations in This Industry — Belief That There Will be a Big Demand for Canadian Sugar in Europe After the War.

THE sugar industry of Canada, like several others, is passing into the last stage of the year 1917 with its freedom of development impeded by government control. However it could hardly be otherwise, with the scarcity of raws that has closed down scores of refineries on this continent, and with the acute requirements of the Allies. As a foodstuff, indeed, it was inevitable that it should be placed under international restrictions, and it is this condition of fixed prices, and probably of fixed profits and of regulated output, that confronts the sugar industry for the coming year. Henceforth, not a pound of raw sugar can be bought save with the permission of the International Sugar Commission that is operating for the allies, and the amount that may be imported into Canada will be decided on a principle of a fair share to all concerned. Such are the external factors that render any definite forecast as to the coming year, or years, as futile as to predict the date of the ending of the war.

Great Export Trade This Year

The year 1917, in spite of the closing quarter, has been a wonderful year in the history of the industry, particularly for the export trade. It is estimated that nearly 100,000 tons have been sent overseas, even although current opinion holds that almost half of this was unfortunate enough to fall a victim to the submarines. In the year 1916 only 26,000 tons (of 2,240 lbs.) were sent across, and before that exportation of sugar from Canada was practically unknown. The scarcity of raw sugar put a sudden stop to export by the first of September this year, but the refiners look forward to sending over next year more than during the present year, if only ocean transportation is available, while the domestic demand is likely to respond to the lowered prices that are promised with the arrival of the new raws from Cuba, the West Indies, and other sources, and the competitive regulation of an abundant crop of sugar beets.

Putting Refineries on Rations

For the balance of the year the Canadian refineries will be put on short rations, and at the time of writing it is estimated that the factories are not operating to more than 25 per cent. of their capacity. In the United States regulations have cut down the amount that may be bought at any one time by the individual family, and it is quite possible that similar regulations will have to be introduced into this country. The refineries, like the jobbers, have begun to dole out the available supplies with sparing hand. At the moment the refineries in Canada that are operating are doing so in most cases at a loss on account of the high prices paid for raws, but it is understood that any advance might meet with the disapproval of the Food Controller.

Loss of 1,800,000 Tons a Year

The present crisis in the production of sugar has resulted chiefly from the cutting off of the surplus of the German beet crop, out of which Great Britain used to import one million tons of sugar every year. In 1914 the total world production of sugar was 18,500,000 tons. Of this 10,300,000 tons were cane sugar, which since has increased by 900,000 tons. The beet sugar in the same period fell off from 8,200,000 tons to 5,500,000, a loss of 2,700,000 tons, or a net loss of 1,800,000 tons. For the coming year a large increase is estimated both in the beets and the raw cane sugars, which must relieve the present restrictions upon the Canadian and United States refineries to a considerable extent.

High prices, which always militate against consumption, have been the result chiefly of increased costs of the raw sugar rather than larger profits on the part of the refiners. Indeed of late years these have dropped below the figures of former years, partly owing to the increased competition and the fact that domestic requirements fell far below the capacity to produce, not more than three-fifths. In the past three years the raws have advanced 3½ cents, and the price of refined has advanced as follows:

Year	Price per lb.
1914	4.10 cents
1915	6.60 "
1916	8.15 "
1917	9.00 "

After the first of the year it is expected that prices will drop at least 1 cent a lb.

Production in Canada

While domestic demands have shown some increase the export trade would have created a new high record for output by a large margin had not the unusual circumstances cut out export for the last four months of 1917, and also forced a cutting down of local buying. As a result the output for the year, while exceeding last year's, can hardly reach the high mark of 1913. The figures for the past five years are as follows:

Year	Production
1913	379,752 tons
1914	332,512 "
1915	303,233 "
1916	345,089 "
1917 (estimated)	370,000 "

The values of these outputs vary of course according to the constantly changing prices per lb., which range all the way from 4.1 cents to the present 9 cents a lb. In the table that is given below the value for the year is taken from the census figures; the rest worked out on the basis of the average price for sugar towards the close of the year.

Year	Production
1910	$21,260,011
1913	33,418,176
1914	27,265,984
1915	40,026,756
1916	58,664,930
1917 (estimated)	66,000,000

Since the Atlantic Sugar Refineries was established the number of refineries in Canada has remained at six: five for cane sugar exclusively, at Vancouver, B.C., two at Montreal, one at St. John, and one at Halifax. The sixth, which turns out about 20,000,000 lbs. of beet sugar a year, and more than eight times that amount of cane sugar, has three plants, at Wallaceburg, Chatham and Kitchener. A small quantity of beet sugar is made at Vancouver.

So far as raw sugars are concerned all are imported, and the British West Indies are the chief source of supply, most of it coming through New York. The imports for the past three years, ending March 31 were as follows:

From	For 12 months ending March 31 1915	1916	1917
United States	$1,266,716	$2,882,929	$4,614,751
British Guiana	2,949,433	5,576,241	7,141,108
B. W. Indies	4,280,714	4,360,496	11,206,805
Cuba	1,009,407	1,087,594	....
Dutch E. Ind.	71,577	....	552,856
Dutch Guiana	185,135	372,248	4,549
Fiji	1,780,368	1,262,718	831,840
Peru	1,406,112	789,223	961,883
San Domingo	2,891,238	4,020,484	3,888,807
Other countries	405,391	438,613	2,213,920
	$16,246,091	$20,790,546	$31,416,578

The imports of raws for the next five months, ending August 31, amounted to 418,216,567 lbs., valued at $19,402,310. This indicated an importation for the year of over 400,000 tons, which would have established a new high record for Canada, greatly exceeding that of 1913.

Customs Revenue of $7,000,000

It is interesting to note that the nature of the sugar industry brings a large revenue to the country from the duty itself. This amounts to $1.37½ per 100 lbs. on Cubas, for instance, and $1.03 under the preferential tariff, such as applies to the British West Indies. On Cubas the United States importers have a distinct advantage over the Canadian; on B.W.I. the amount paid is about the same. Thus the duty for the first five months of the present fiscal year of 1917-1918 would amount to $4,300,000 approximately, and the duty for an average year to over $7,000,000.

As to the future it may be laid down as a condition that does not apply probably to the majority of Canadian industries, that the capacity of the Canadian factories is far more than is required for the needs of this country. In a normal year the output does not exceed 60 per cent. of the capacity, and during the present year, until the time that export trade ceased, it was under 70 per cent. The consumption of sugar in Canada averages nearly 100 pounds per capita, which is not exceeded by any other country in the world in this respect, and the hope of the refiners for the future lies in the increase of population in Canada, which they expect will expand rapidly through immigration immediately after peace becomes well established.

Germany May Again Prevent Export

So far as the export trade is concerned, no one is willing to prophesy what the future will bring forth. Before the war, there was no export to Europe from Canada, for in the main the Germans with their immense beet root crops and huge refineries supplied most of the demands of Great Britain and a number of other allied countries. There is not much expectation of an export of sugar from Canada when the Germans get into their stride again, unless heavy handicaps in the way of surtaxes keep them out of the allied markets. Otherwise the trade as before would likely go along the lines of least resistance. It is true that since the war the British refineries have been developed to some extent, and that the buying has been done for these of late in the regular raw markets, but unless there is a change that will lower the relative cost of cane sugar, the central Empires are considered to have the most favorable opportunity, as before the war. In this respect the United States refineries will be in the same position as Canada. During the past two years the Canadian refineries, in selling to Great Britain, have made contracts with the Royal Commission on Sugar Supply at London, through Mr. Fitzgerald, formerly of the purchasing department of the Canadian Pacific Railway. These were awarded at a price fixed by the commission and the Canadian manufacturers were in competition with the refiners of the United States so far as prices were concerned. On all the export there was a refund of 99 per cent. of the duty.

Big Demand After War Ends

There is a belief among some refiners that for a year or two after the close of the war there will be a tremendous demand for Canadian sugar in Europe before Germany recovers her old time production, for a large number of her factories must be out of commission, and the growing of beets have become demoralized to a considerable extent.

Other than this no one cares to prophesy as to the future.

MILLING—Many War Influences Felt

Continued from page 27.

	1916	1915	1914	1913
Canada (cwt.)	4,228,000	3,361,000	3,227,000	4,169,000
United States (cwt.)	5,182,000	6,740,000	5,558,000	6,158,000
Belgium (cwt.)	....	....	37,000	32,000
France	....	73,000	364,000	302,000
Germany	....	....	216,000	456,000
Argentina	17,000	89,000	58,000	191,000
Austria-Hungary	....	....	55,000	100,000
Australia	501,000	2,000	249,000	349,000
Other countries	32,000	224,000	296,000	222,000
	9,960,000	10,489,000	10,060,000	11,979,000

	To U.K.	To U.S.	Total
1904 (cwt.)	153	312	550
1910	122	1,087	1,796
1913	97	1,019	1,662
1915	78	871	1,038
1916 (no record)	...	.....	.....

Small Export of Oatmeal.

The export of oatmeal shows no sign of increasing. In 1904 the total sent out of Canada was 204 barrels; in 1910, 247 barrels; in 1914 only 111; 60 in 1915, and 92 in 1916. Nearly all went to England.

Year	Bbls Daily
1917	6,000
1916	6,900
1915	8,605
1914	6,675
1913	6,715

From the standpoint of the investor a few explanations as to the Government regulation of the mills may serve to dissipate any fears as to a confiscatory measure. When the figure of 25 cents a barrel was fixed as the maximum profit, it was agreed that this under the heading of "costs" should cover the operating expenses, and in addition interest on the bonds, as well as 5 per cent. for depreciation. This left payments on preferred and common stock to be met out of the 25 cents a barrel. For the larger mills at least, this is regarded as quite feasible.

It is expected that the buying of flour for export will be entirely under the control of the Wheat Export Co. Hitherto flour for domestic use in England and France was purchased by the Export Co., but for war purposes by the Agricultural Department at Ottawa.

Canadian Insurance
says

"That excellently managed company—the Capital Life—had a good year in 1916. It increased its net premiums by $16,261; it reduced its expenses by $6,969; it increased its new business by $81,378 over the 1915 figure. The actual new business was $810,596 in sums assured, and the increase in business in force was $339,756, which is better than the average experience. The total assets were $338,428 at the end of the year invested to produce 6.22% interest. It would be difficult to find a company which has had such an excellent record as the Capital in the same stage of its career, and we cannot but think that its management is extraordinarily capable."

Our Insurance and Income policy will insure against financial crises arising through the loss of the present Manager or other Official of your Corporation, as well as safeguard your family.

Write for Particulars to

The Capital Life Assurance Company of Canada
Head Office: - - Ottawa, Canada

Openings for a few reliable representatives who are Producers.

Incorporated A.D. 1833

British America Assurance Company

(FIRE, MARINE and HAIL INSURANCE)

Assets over - - - - - $2,750,000.00

Losses paid since Organization in 1833 over - - - $42,000,000.00

DIRECTORS
W. R. Brock, President
W. B. Meikle, Vice-President and General Manager
Sir John Aird
Robert Bickerdike (Montreal)
Alfred Cooper (London, Eng.)
H. C. Cox
D. B. Hanna
E. Hay
John Hoskin, K.C., LL.D.
Z. A. Lash, K.C., LL.D.
Geo. A. Morrow
Lt.-Col. the Hon. Frederic Nicholls
Brig.-Gen'l Sir Henry Pellatt, C.V.O.
E. A. Robert (Montreal)
E. R. Wood

LONDON BOARD
Rt. Hon. Sir John Kennaway, Bart., C.B., Chairman
Sir Ernest Cable Alfred Cooper Sir Charles Johnston, Bart.

London Offices, 14 Cornhill, London, E.C.

HEAD OFFICES:
British America Assurance Buildings, Cor. Scott and Front Streets, Toronto

Incorporated A.D. 1851

WESTERN ASSURANCE COMPANY

(Fire, Marine and Explosion Insurance)

Assets over $5,000,000

Losses paid since organization in 1851 over $67,000,000.00

Directors

W. R. Brock, President
W. B. Meikle, Vice-President and General Manager
Sir John Aird
Robert Bickerdike (Montreal)
Alfred Cooper (London, Eng.)
H. C. Cox
D. B. Hanna
E. Hay
John Hoskin, K.C., LL.D.
Z. A. Lash, K.C., LL.D.
Geo. A. Morrow
Lt.-Col. the Hon. Frederic Nicholls
Brig.-Gen'l Sir Henry Pellatt, C.V.O.
E. A. Robert (Montreal)
E. R. Wood

London Board

Rt. Hon. Sir John Kennaway, Bart., C.B., Chairman
Sir Ernest Cable
Alfred Cooper
Sir Charles Johnston, Bart.

London Offices, 14 Cornhill, London, E.C.

HEAD OFFICES:
Western Assurance Buildings, Cor. Scott and Wellington Streets, Toronto

"A SOUND MIND IN A SOUND BODY" is the best condition a man can be in when making his Will, but no condition of mind or body can excuse a man for delay in making a proper provision for those dependent on him. Name this Company your Executor and your wishes will be carefully fulfilled. Write for our Booklet, "The Will That Really Provides."

Capital Trust Corporation
Limited

Authorized Capital, - - : $2,000,000

BOARD OF DIRECTORS:

President: M. J. O'Brien, Renfrew

Vice-Presidents: Hon. S. N. Parent, Ottawa;
J. J. Lyons, Ottawa; R. P. Gough, Toronto;
A. E. Corrigan, Ottawa.

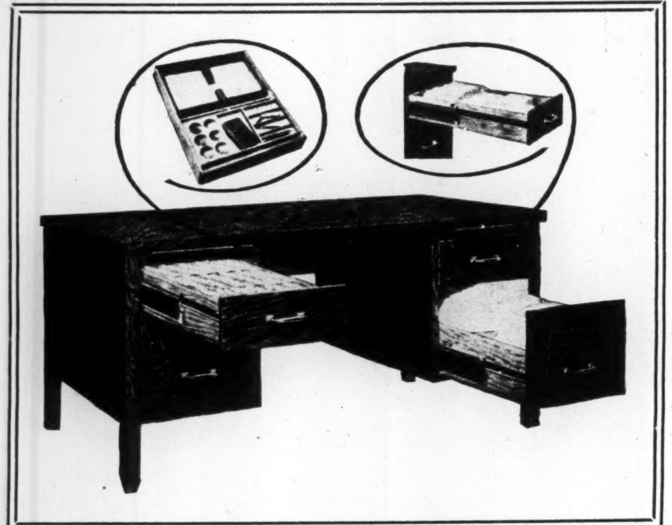
A. E. Provost, Ottawa
Hon. R. G. Beazley, Halifax
J. F. Brown, Toronto
E. Fabre Surveyer, K.C., Montreal
Hugh Doheny, Montreal
E. W. Tobin, M.P., Bromptonville
Arthur Ferland, Haileybury
J. B. Duford, Ottawa
Edward Cass, Winnipeg
T. P. Phelan, Toronto
Gordon Grant, C.E., Ottawa
P. V. Byrnes, Hamilton
Michael Connolly, Montreal
W. J. Poupore, ex-M.P., Montreal
Lieut.-Col. D. R. Street, Ottawa
W. H. McAuliffe, Ottawa

Managing Director: B. G. Connolly

Assistant Manager: E. T. B. Pennefather

Offices: 10 Metcalfe St., Ottawa, Ont.

A TRIO OF MODERN BUSINESS AIDS



Clear Thought

That paper you want at an instant's notice—those important records you refer to many times during the day—all kept handy, ready for quick reference, right at your finger tips. The "Office Specialty"

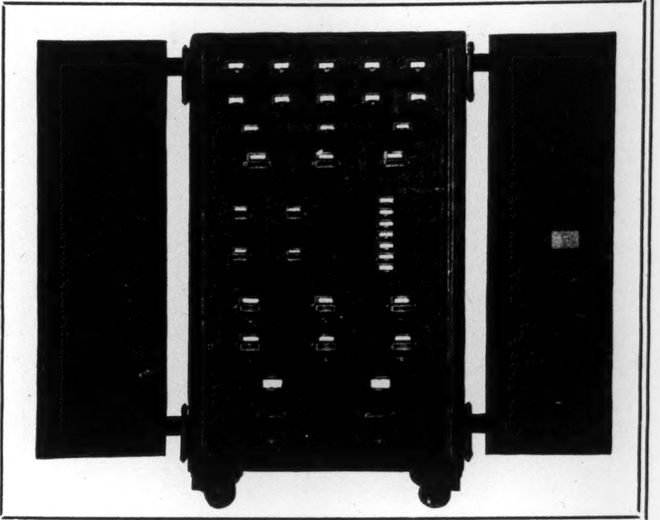
EFFICIENCY DESK

does away with all that bothersome waiting while a filing clerk vainly hunts for the paper you want at short notice. Instead, you pick it out yourself—easily, quickly, instantaneously.

You save time—dispense with "thought breaks"—work with greater intentness.

More about this DESK in a Folder. Write for a copy.

OFFICE SPECIALTY



Eternal Vigilance

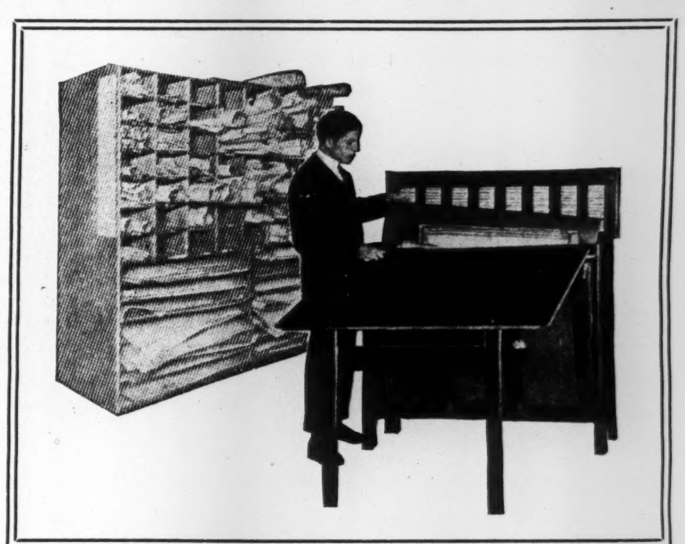
You can safely trust your valuable business records to the guardianship of this—

RECORD SAFE

with a sense of security that its vigil will be carried out faithfully.

Descriptive literature on request.

OFFICE SPECIALTY



Plain Protection

You're assured of protection to your valuable original drawings, blue prints, plans, charts, maps, and other reference matter of like size, when they're filed away in classified order, in an "Office Specialty"

MAMMOTH VERTICAL FILE

Dust can't get at them—light rays can't fade them—when resting in the capacious, light-proof pockets of this file. Room for 1,000 big drawings, blue prints or plans.

We'll gladly send a descriptive folder on request.

OFFICE SPECIALTY

9 Filing Equipment Stores:
Toronto, Montreal, Ottawa, Halifax, Hamilton, Winnipeg, Regina, Edmonton, Vancouver

MADE IN CANADA
THE OFFICE SPECIALTY MFG. CO. LIMITED

HOME OFFICE AND FACTORIES:
NEWMARKET - CANADA

STEEL--War Activity and the Aftermath

Abnormal Demands Have Resulted in Increased Output at High Prices—No Marked Change Expected Until Close of War—The Future Evidently Holds Many Problems—Investors Should Take Broad View of the Whole Situation and Consider Prevailing Conditions.

SOME holders of steel securities at the present time may feel inclined to doubt the wisdom of their investments unless a broad view is taken of situation. On the other hand if these same investors compare present prices of steel stocks with those prevailing twelve months ago they have every reason to be optimistic. Admitting that prices one year ago were too high, due to the boom in the market, it may also be said truthfully that prices are now too low, although due allowance must be made for conditions that have caused the present slump in stocks.

It is reasonable to suppose that in due time when the financial situation is easier, stocks will respond and an upward movement result. It is extremely doubtful, however, that steel stocks will get back to the high mark of last year, at least not while the war continues and it is probably just as well if they do not for such meteoric performances only tend to create undue excitement with the inevitable depression afterwards. Such conditions tend to instability which is not favorable for the investing public although it may suit speculators. One rather peculiar feature of the present situation as compared with the corresponding period last year is that the steel companies are now paying larger dividends which under normal conditions would result in a higher market level. The situation, however, is distinctly abnormal and the action of the stock market is thus erratic. Outside influences have always some bearing on the market even under normal conditions but in times like the present the effect of these influences is very marked. In fact, as things appear at present, it might be concluded that the position of a stock bore relation to the financial condition of the company. Such, of course, is not the case, but, when stocks are tumbling down and during the process the companies are earning large profits, the situation becomes something of a paradox. It thus behooves holders of steel securities to keep calm under such trying conditions and await the swing of the pendulum for there is bound to be a reaction some time.

The steel industry this year has been enjoying remarkable prosperity, in fact, this should be a banner year as output has been heavier than last year and steel prices considerably higher. The annual reports for the year 1916 revealed a most gratifying state of affairs, beyond the dreams of the most confirmed optimist. That the steel companies have taken advantage of this prosperity by consolidating their financial position is also revealed in these reports. This is a wise precaution and the policy of the high officials in doing this will be appreciated better when the war is over than at the present time. The steel companies have all increased their dividend distributions but they have not been by any means too liberal, rather have they been conservative in this respect. A comparison between the financial position of the steel companies in Canada before the war and now, is refreshing. It is giving no secrets away, to say that these concerns in 1914 were in a rather precarious condition whereas at the present time they are decidedly prosperous and the banks are doubtless as well pleased as the directors at the turn of events.

It is just as well when considering future possibilities to think of the past, for the present period of prosperity will not continue indefinitely. A substantial reserve of capital will enable a concern to meet successfully a period of depression. It is a policy of preparedness that has been adopted and it is to be commended from every viewpoint. An important factor has been the improvement in the physical condition of the Canadian steel plants. In the time of bad trade there was a disposition to spend as little money as possible on repairs and improvements except when absolutely necessary to the operation of the plant. The consequence was that the plants for the most part were in need of overhauling and the efficiency was not as high as it should have been. This condition has been to a large extent corrected, the cost being paid for out of earnings. The improvements have thus been made without increasing capital charges. During the past three years important extensions have been made at all the steel plants and output considerably increased. These plant extensions have also for the most part been paid for out of earnings. This is an important feature to consider for not only have the plants been improved physically and made more efficient, but the capacities have been increased and earning power is consequently greater. All this has been achieved without increasing capital charges. From an investment standpoint steel stocks are more attractive now than at any time previously, because they are stronger financially. Then, tonnage capacity has been increased considerably and possibilities for larger profits have also been increased.

Steel Production.

The table given below, issued by the Mines Branch of the Department of Mines, Ottawa, shows that there was an increase in output of both pig iron and steel during the first six months of this year over the corresponding period in 1916. The figures also show the imports of iron and steel which are particularly interesting in view of the embargo on these materials from the United States.

The total production in Canada of steel ingots and direct castings during the first six months of this year was 836,149 short tons, as against 589,553 tons during the corresponding period of 1916. The increase in production fof the period is therefore 246.596 short tons. The average monthly production during the first six months of this year was 139,358 tons as against an average monthly production throughout 1916 of 106,268 tons. The production of steel in electric furnaces included above was 18.797 tons during the first six months of 1917 as against a total of 19,639 tons produced throughout 1916. Since those figures were compiled an electric furnace plant has been placed in operation at Toronto but no figures are available. This plant will be an important addition to the steel producing capacity in Canada when operating at capacity. The plant has ten 6-ton electric furnaces of the Heroult type. These are also electric furnaces in operation producing steel at Montreal, Welland, Belleville and one in Toronto producing steel from flue dust and fine ores. The electric furnace is the most interesting development in the steel industry in recent years, and where electric power is cheap there is a favorable field for its adoption. An electric furnace installation is contemplated at Port Moody, B.C. Some progress has been made at Ojibway, Ont., where the Canadian Steel Corporation intend to establish a large steel plant.

Pig Iron Production.

The table given below, also compiled by the Mines Branch of the Department of Mines, Ottawa, gives the complete returns of the pig iron production for the first six months of this year and also for 1916. These figures also shew an increase in pig iron production for the above mentioned period. The total production of pig iron during the first six months of this year was 586,008 short tons, as against 562,097 tons during the first six months of 1916. This represents an increase of 24,901 tons, which is satisfactory when considering the difficulty that was experienced in the first three months of the year in obtaining coke, etc., owing to the tie up on the railways, which affected principally the furnaces in Ontario. The average monthly production in 1917 was 97,833 tons as against an average monthly production throughout 1916 of 97,438 tons. Furnaces were in blast at Sydney and North Sydney, N.S., Hamilton, Port Colborne, Sault Ste. Marie and Deseronto, Ont. The furnace at Deseronto was only in blast for two months at that period. Small quantities of pig iron were also produced in electric furnaces from scrap steel at Orillia, Ont., and Montreal.

Prices of pig iron have been increasing steadily all the year and a record has been made. The heavy demand is partly the reason for this and the furnaces have been for several months behind in deliveries. The most important producer of foundry iron for the open market has been the furnace at Port Colborne, Ont., the others have been for the most part making pig iron for steel. On this account there has been a shortage of foundry iron, which still exists. The high cost of coke has been an important factor in the pig iron situation and has been largely responsible for the continued advances. The fixing of pig iron prices in the States has not as yet affected the Canadian market, and the opinion is held in the trade, that prices of domestic iron will not decline for some time, partly on account of the embargo and also because of the sold-up condition of the furnaces.

Production Has Increased.

The extraordinary demand for steel for munitions was the principal reason for the great activity in the steel industry during the past two years or more. The urgency of the demand made it necessary to increase production and the steel concerns in Canada without exception responded to the call and extended their plants. A large per centage of these extensions were completed last year so the producing capacity of steel has been higher this year than last, which accounts for the increases shown in the tables. Further plant improvements are under way at the mills so the producing capacity may be said to be still increasing. There is little doubt that full advantage will be taken of this situation and continued prosperity seems assured for the steel companies while the war lasts. In view of the shortage of steel and increasing demand, Canadian mills will be able to participate in this demand in conjunction with those in the United States. While it is true that the munitions orders have been considerably reduced in Canada, there is still a comparatively large tonnage going into shells, but not to the same extent as formerly. An outlet for the tonnage not required for shells in Canada will be found, so the decline in munitions orders should not result in decreased output. The Dominion Government has arranged credits for munitions to the extent of $30,000,000 a month until the end of this year. Some of the contracts for 6-inch shells, which is the principal size being made now, will keep the firms engaged upon their production employed until next May, so a certain amount of business for the steel mills is assured for the first quarter of 1918. As the placing of further shell contracts depends upon the ability of the Dominion Government to finance them, it is unlikely that this industry will be as active in the future as it has been in the past. A strenuous effort will be made by the Government to raise funds, but as foodstuffs and other war supplies have also to be financed only a percentage of the total amount can be expended on munitions. This question has a direct bearing on the steel business which will benefit to a greater or less degree according to the sum set apart for this purpose. However, as already intimated, the surplus of steel iron required for shells will doubtless be used in the manufacture of other products, such as rails, bars, shapes, wire and wire products, bolts and rivets, etc., etc.

PIG IRON IN CANADA.

Monthly Production, Exports and Imports.

	Production		Exports		Imports	
	1916 Short tons	1917 Short tons	1916 Short tons	1917 Short tons	1916 Short tons	1917 Short tons
January .. ....)	....	89,187	1,635	106	4,456	5,473
February .. ...)	562,097	83,801	1,393	732	4,101	3,502
March .. ..)	monthly	103,789	2,725	1,394	5,602	7,442
April .. ..)	average	101,564	80	629	5,963	5,916
May .. ..)	of	108,799	30	966	6,489	7,189
June ... .)	93,683	99,858	221	1,483	3,190	9,336
July	92,012	....	394	.....	3,773	.....
August	87,864	....	3,902	.....	3,961	.....
September	102,744	....	1,534	.....	5,001	.....
October	113,608	....	4,344	.....	5,933	.....
November	104,436	....	4,055	.....	3,310	.....
December	106,496	....	2,991	.....	6,351	.....
Total	1,169,257	....	23,304	.....	58,130	.....
Monthly average.	97,438	97,833	1,942	835	4,919	6,476

STEEL IN CANADA.

Monthly Production, Exports and Imports.

	Production of steel ingots and direct steel castings		*Exports		†Imports	
	1916 Short tons	1917 Short tons	1916 Short tons	1917 Short tons	1916 Short tons	1917 Short tons
January ....)	....	130,990	....	.....	4,212	13,322
February ......)	589,553	120,629	....	.....	7,288	15,213
March ....)	monthly	152,420	....	.....	5,206	32,590
April ....)	average	139,669	....	4,372	10,877	19,792
May ....)	of	155,346	....	4,811	8,542	26,823
June ....)	98,259	137,095	....	5,788	11,368	31,700
July	100,817	......	....	.....	10,742	.....
August	107,273	......	....	.....	13,412	.....
September	113,411	......	....	.....	10,433	.....
October	123,469	......	....	.....	12,958	.....
November	124,431	......	....	.....	12,723	.....
December	116,265	......	....	.....	10,309	.....
	1,275,219	......	....	.....	118,070	.....
Monthly average.	106,268	139,858	....	.....	9,839	23,240

†The figures given hereunder represent the exports of steel ingots and billets from the United States to Canada and are compiled from the monthly reports of "Foreign Commerce and Navigation of the United States," Washington, D.C. The total exports to Canada during the 12 months ended June 30, 1917, were 208,625 short tons, valued at $14,098,429.

*Exports of ingots, or billets, not separately recorded previous to April, 1917.

STATISTICS OF IRON AND STEEL SECURITIES.

Company Securitiey.	Outstanding	Last Dividend or Interest Date Maturing	Rate	Prices of Securities. High Price	Date	Low Price	Date	Present
Lake Superior Co., common............	$40,000,000	....	..	35¼	Sept., 1912	5	Apr., 1915	...
5% 1st Mort. 40-yr. Bonds	1,294,000	June 1, 1917	5	...	....	...	....	...
5% Income Bonds	3,000,000	Oct. 1, 1913	5	80	Aug., 1912	20½	Jan., 1916	...
Algoma Steel Co., common...........	15,000,000	....	..	Held by Lake Superior Corporation.				
7% Cum. pref.	10,000,000	....	..	Held by Lake Superior Corporation.				
5% 50-yr. 1st Mort. Bonds..........	15,692,000	Oct. 1, 1917	5	...	....	...	....	...
Canada Found. & Forg., common......	960,000	Nov. 31, 1917	12	242	Dec., 1915	65	Oct., 1915	...
7% Cum. pref.	960,000	Nov. 1, 1917	7	...	....	...	....	...
6% 1st Mort. 30-yr. Bonds..........	128,600	Aug. 2, 1917	6	...	....	...	....	...
Canadian Far & Foundry, common.....	4,186,700	June 31, 1914	4	120	Aug., 1915	50	April, 1915	18
7% Cum. pref.	7,500,000	July 1, 1914	7	118	Jan., 1913	98	July, 1914	50
6% 1st Mort. Bonds	5,539,602	June 1, 1917	6	107½	1912	100	July, 1913	...
Canadian Steel Foun., common........	3,000,000	....	..	...	....	...	....	...
Do., preferred	1,400,000	....	..	...	....	...	....	...
6% 25-yr. Bonds	3,289,000	Sept. 1, 1917	6	...	....	...	....	...
Montreal Steel Works, common........	700,000	....	..	Held by Canadian Steel Foundries.				
7% Cum. pref.	800,000	....	..	Held by Canadian Steel Foundries.				
6% 1st Mort. 30-yr. Bonds..........	750,000	June 1, 1917	6	...	....	...	....	...
Dominion Steel Co., common..........	37,097,700	Apr. 1, 1917	4	82	Dec., 1916	19⅞	July, 1914	54½
6% Cum. pref.	7,000,000	Sept. 1, 1917	6	99	1912	63½	1915	...
Dom. Iron & Steel Co., common.......	20,800,000	....	..	...	....	...	....	...
7% Cum. pref.	5,000,000	Oct. 1, 1917	7	140	Mar., 1910	36	Nov., 1907	87½
5% 1st Mort. Bonds	6,652,000	July 1, 1917	5	102	Sept., 1909	64½	Nov., 1907	...
5% Consol. Mort. Bonds	7,426,533	Sept. 1, 1917	5	101	1913	73½	1915	...
Dom. Found. & Steel, common.........	3,000,000	....	..	283	Nov., 1916	22	Aug., 1915	166
7% Cum. pref.	720,000	Sept. 1, 1917	8	99	Nov., 1916	73	Aug., 1915	92
National Steel Car Co., common......	2,000,000	....	..	55½	Aug., 1915	8½	April, 1917	5½
7% Cum. pref.	1,500,000	Dec. 1, 1912	7	103	Nov., 1915	19	Oct., 1917	19
N. S. Steel & Coal Co., common......	7,500,000	June 31, 1917	6	153	Oct., 1916	39	June, 1914	79¾
8% Cum. pref.	1,000,000	Oct. 15, 1917	8	125	Mar., 1913	112	Jan., 1917	105
5% 50-yr. 1st Mort. Bonds	5,787,196	July 1, 1917	5	...	....	...	....	90
6% Debenture Stock	4,000,000	July 1, 1917	6	...	....	...	....	...
Eastern Car Co., common.............	800,000	....	..	Held by Scotia.				
6% Cum. pref.	750,000	....	..	...	....	...	....	...
6% 1st Mort. 40-yr. Bonds	1,000,000	July 1, 1917	..	...	....	...	....	...
Ontario Steel Products Co., common....	750,000	....	..	45	Nov., 1916	13¾	Sept., 1915	25¼
7% Cum. pref.	750,000	May 15, 1917	7	91½	Oct., 1916	72½	Sept., 1915	74
6% 1st Mort. 40-yr. Bonds	600,000	July 1, 1917	6	85	1915	85	1915	...
Steel Co. of Canada, common..........	11,500,000	May 1, 1917	6	88¼	Dec., 1916	9	April, 1915	51
7% Cum. pref.	6,496,300	Aug. 1, 1917	7	107	Dec., 1916	69	June, 1915	85
6% 1st Mort. Bonds	8,677,300	July 1, 1917	6	100¾	July, 1912	88	1915	...
Toronto Structural Steel Co., com.....	300,000	....	..	...	....	...	....	...
7% Cum. pref.	300,000	Oct. 1, 1917	7	...	....	...	....	...
6% 1st Mort. Bonds	150,000	Sept. 1, 1917	6	...	....	...	....	...

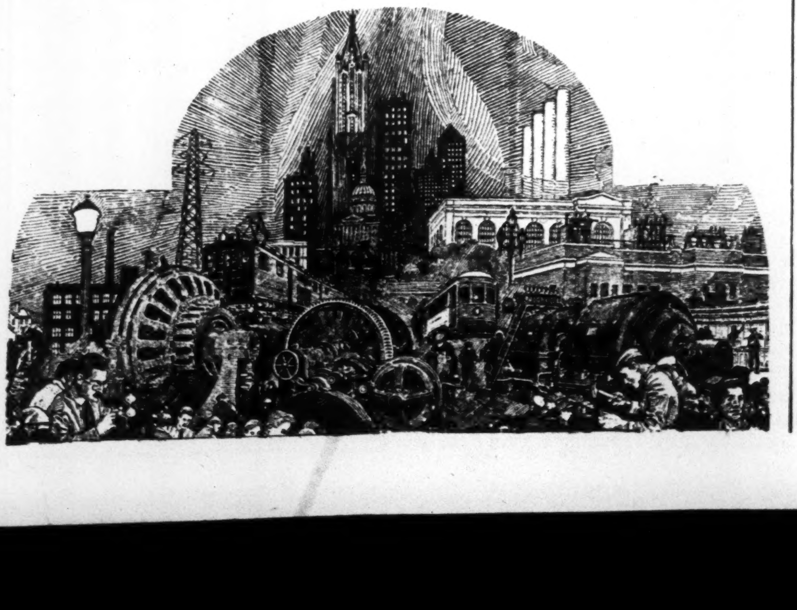
A considerable export business has grown up since the war started, and Canadian steel products of various kinds are now being shipped to different parts of the world. This export business would doubtless have attained bigger dimensions but for the shortage of ocean tonnage. However, orders have come from unexpected quarters and the result so far must be gratifying to the concerns engaged in this business. How long it will last is uncertain, but the experience gained and connections made, will be helpful after the war.

Operating Conditions.

Operating conditions have not been entirely satisfactory this year. There has been a scarcity of suitable labor for one thing while some concerns have been handicapped by a shortage of raw materials. For the first three months the mills in Ontario were handicapped through not being able to get full coke supplies on account of the freight congestion on the railways. This trouble eventually was eliminated but the mills got behind on their orders. The mills in Nova Scotia have not been troubled on this account as they have their own coke ovens. A shortage of coal has also affected operations.

High Prices Prevailed.

The high prices of steel which have prevailed throughout the year have been beneficial to the mills, while recent developments, in the form of an embargo, have also been favorable to them. Although operating costs have gone up, steel prices have advanced more in proportion and the mills have got the benefit. For the past three or four months there has been much excitement in the steel industry over the question of prices, which has been debated from every angle. For some weeks prior to the announcement of fixed prices at Washington it was predicted that there would be a general recession of values and there was very little private buying, except to fill urgent needs, in anticipation of lower prices. The steel market was very unsettled and although prices on the more important steel products have been fixed it cannot be said that the situation is much easier. The much discussed one-price-for-all policy was eventually adopted, thus putting the U.S. Government, the Allies and domestic consumers all on the same buying basis. That was alright as far as the U.S. was concerned, but it eventually transpired that steel for Canadian consumption was not affected by this policy. In other words Canadian consumers have had to pay on such steel as they imported from the States prices which were current before the agreed upon prices were announced. How long this situation will continue is difficult to say as the mills in the U.S. have so much government business on hand and also in view of the fact that private consumers have considerable difficulty in getting material.



Steel Prices As Fixed.

It may be of interest at this juncture to quote the steel prices fixed by the War Industries Board at Washington. These prices serve to indicate what may be the trend in the future, although they have not yet affected the situation in Canada. The agreed upon prices are as follows and are subject to revision January 1, 1918. **Iron ore, basis, lower lake ports, price agreed upon $5.05 gross ton. No change. Coke, Connellsville, price agreed upon $6 net ton; recent price $16 a ton; a reduction of 62.5 per cent. Steel plates, basis Chicago and Pittsburgh, price agreed upon $3.25 per cwt.; recent price $11 per cwt.; a reduction of 70.5 per cent. Pig iron, price agreed upon $33 gross ton; recent price $58 gross ton; a reduction of 43.1 per cent. Steel bars, Pittsburgh and Chicago basis price agreed upon $2.90 per cwt.; recent price, $5.50 per cwt.; a reduction of 47.3 per cent. Steel shapes, basis Chicago and Pittsburgh, price agreed upon $3 per cwt.; recent price $6 per cwt.; a reduction of 50 per cent."**

Shortly after the above prices were given out a further list was issued by the Board which includes the following. The prices have Pittsburgh and Youngstown basis. Prices with Pittsburgh as base are: Steel bars (3 to 5 in.), $3.25 per 100 lbs.; steel bars (5 to 8 in.), $3.50; steel bars (8 to 10 in.), $3.75; steel bars ,over 10 inch), $4; skelp (grooved), $2.90; skelp (universal), $3.15; (sheared), $3.25. Blooms and billets, 4 by 4 in. and larger are now $47.50 gross ton; billets under 4 by 4 in. are $57; slabs, $50; wire rods and sheet bars, $57, Pittsburgh and Youngstown bases. The prices will apply to private as well as to Government contracts. The price of billets, fixed at $47.50, represents a reduction from the current market price of about $22.50 a ton; billets at $51, a reduction of from $29 to $44 a ton, and wire rods fixed at $57 a reduction of $33 a ton.

Embargo Situation.

There is every indication of a serious shortage of steel, due to the steady increase in tonnage required for war purposes. Not only will prices be regulated by the Government, but the entire output of the mills will be supervised by the Priority Board, who will see that the U.S. Government and Allies have all the steel that is required for war purposes, and then allot what is left for commercial purposes. In view of the large tonnage required for war purposes it will be a difficult matter to meet the demands of the ordinary consumer to the full extent of his requirements. This being the case, it is unlikely that the embargo placed on steel exports from the States will be modified to a greater extent than has already been done, although some leniency may be shown in the interpretation of the clause for war purposes or contributory thereto. In any event, consumers not working on war contracts are bound to suffer and manufacturing operations will be restricted. This is the most serious feature of the whole situation for those concerns using material such as can only be obtained from the States. Manufacturers who use domestic material will not be inconvenienced, except perhaps by some delay in deliveries, which can be overcome by judicious purchasing. It is understood that the fixed prices do not apply on export business. This may be so for the time being, as the mills are not booking orders at the new prices, because they have no steel to deliver except on high-priced contracts. All new contracts will, of course, be subject to investigation by the Priority Board. The embargo also tends to neutralize the effect of the agreed upon prices, and at the present time there is no indication of a general recession in prices.

The embargo does not affect steel required for war contracts, shipbuilding and railroad betterments or equipment, and, therefore, will only be a hardship for consumers not working on war orders. This feature, however, is sufficiently serious to affect the general public, as a shortage of many articles made of iron and steel for every day purposes will likely ensue. The embargo cannot help but restrict manufacturing operations in many plants, but nothing can be done to materially improve the situation as war work must not be held back. It would appear that the embargo will benefit Canadian mills by eliminating competition in such products as they manufacture. It is apparently having a tendency to keep prices up, which is also favorable to the domestic steel industry. It is believed in the trade that prices will remain more or less stationary for an indefinite period and that the ultimate downward movement will be gradual.

Future Prospects.

What the future holds for the steel industry in Canada is a difficult question to answer. For the duration of the war there will likely be no material change in the situation in so far as it affects the steel trade. While the war lasts there will be an enormous demand for steel and the mills in Canada and the States will be operating at capacity. What the demand will be after the war is problematical. It has been asserted that the demand for steel during the reconstruction period in Europe will be such that the mills on this side will have all the business they can take care of. Against this it must be remembered that the mills in Great Britain and France will then be in a position to supply a large tonnage of steel for this reconstruction and they

Continued on page 34.

LUMBERING--Some Lost Opportunities

Day to Day Problems Are Being Worked Out in the Face of War Conditions — Shortage of Tonnage Prevents the Canadian Industry from Getting Full Benefit of the Great Foreign Market Which the War Has Opened—Looking to the Future.

By HORACE BOULTBEE, Editor Canadian Lumberman.

FACE to face with war conditions the lumber industry and the distributing trade are working out their problems from day to day, managing to keep abreast of the tide to some extent, but never getting within a very long distance of realizing all the great possibilities presented by the world's shortage of wood goods. The problem at present is too great to be solved. All that it is possible to do is to "carry on" to the best of one's ability, playing safe to a certain extent, but bearing always in mind the fact that the firm which is able to finance its operations is in a good position to pull through the present difficulties and to make satisfactory profits, while having at the same time the pleasure of knowing that it has been assisting in the successful prosecution of the war by producing and distributing one of the most elementary of war materials.

IT is a difficult matter to put one's finger upon any one feature of the history of the lumber industry in Canada during the past year, or upon any group of features and give them prominence as having been ruling factors. The year has been one of exceptionally peculiar developments which no one could definitely foresee and out of which it has been impossible to formulate anything of value to serve as a guide to conditions in the immediate future. The year began with exceptionally short stocks of lumber in the hands of millmen and distributors, accompanied by an almost world-wide demand of quite an abnormal nature, and universal difficulty in shipping stock from the mill to the consumer. These conditions have continued throughout 1917, becoming regularly more intense, and have been further accompanied by a continual decrease in the available supply of labor and a steady increase in the cost of all lines of equipment and supplies necessary for the production of lumber.

Taking the year into consideration from an analytical point of view, there has been almost no single feature of the lumber trade which has not been directly related to the war. A partial list of war uses of wood goods will illustrate this. Some of these are, shell boxes, gun stocks, saddle trees, packing boxes of various descriptions, camp construction material, wagon stock, shipbuilding timbers, and airplane stock. These sources of demand have been responsible for the consumption of quantities of lumber and timber beyond the possibility of tabulation, and a peculiar feature is that no sooner has there been some decrease in the requirements for one particular line than a new source of demand has sprung up which more than offset the former. An instance of this is the demand for camp construction material which came forward when the shell box trade seemed to be reaching its end, and now that the camp construction demand has been largely felt, the demand for shipbuilding timbers is developing and will continue for an indefinite period of time.

War-Time Problems.

One might imagine from all this that the lumberman has been enjoying greater prosperity than ever before, and that the war is responsible for it. Such a conclusion would be unjustified, because the lumberman like every other manufacturer in the country has had to face problems which made his business many times more costly and difficult than it used to be. Careful investigation into manufacturing costs has shown that the output of a mill in Canada today costs at least 25 per cent. more than it did a year ago, while the output at that time was probably 25 per cent. more expensive than that before the war. Added to this is the great advance in the cost of transportation, and, in connection with overseas shipments, the cost of insurance; to say nothing of the artificial difficulties such as government licenses and freight payment in advance, which have been imposed.

In the face even of a strong market for everything that can be produced in Canada, manufacturers who are sending crews into the woods this winter are unable to know in advance what their producing costs are likely to be, or whether they will be able to market their output next year at a profit, or even at a price that will cover the cost. Therefore, as many a lumberman is saying today, the whole market situation is simply a gamble and any man's guess is as good as another's.

Changing Conditions.

It is interesting to glance separately at the lumber industry in different parts of the country to-day. In the east, that is to say the Maritime Provinces, Quebec and Ontario, from which, in former years, great quantities of timber were exported to Great Britain, South Africa, the West Indies and other overseas markets, private trading in timber for export has come to an end. Great Britain's policy of developing her own timber resources and discouraging the importation of such bulky cargoes as timber, is responsible for this, or rather the scarcity of tonnage for overseas shipments may be said to be at the bottom of it. The British Government is doing its own importing of such quantities of timber as it cannot obtain at home, and is securing a great portion of its daily requirements from home production. Other overseas markets are almost out of the question on account of the shortage of tonnage. Therefore, the producing mills in eastern Canada are in a situation such as they have never experienced before. They have sold large quantities of stock to the Imperial Government, and a great deal of it remains in their yards unshipped, taking up space which they would like to use for piling new stock. With their yards thus occupied they hesitate to take out any considerable quantity of logs in the woods this winter, not knowing whether they will be able to turn this winter's logs into timber and lumber next summer.

Transportation Troubles.

A somewhat similar condition prevails in connection with the United States markets where there is an abnormal demand for Canadian products, which it is next to impossible to ship across the line, because of the congestion of traffic upon the railroads. Canadian railways are not permitting their cars to cross the border with lumber, preferring to carry other materials. United States railways are doing the same thing in regard to shipments into Canada, and the lumber trade is confronted with large markets comparatively near at hand which they can only look at and long for, for the time being.

Western manufacturers, that is to say the B. C. mills, both at the coast and in the mountain district, are in the best shape of any so far as trade and transportation are concerned. The prairie farmer has made much money during the past two years and is spending it pretty freely, a good portion of it going into farm buildings of various descriptions. The shipbuilding industry throughout Canada is consuming a large quantity of high class B. C. fir timber, and would consume far more than the mills can furnish. The airplane industry is calling for more high grade spruce than it is possible for the B. C. mills to turn out, and many orders are being refused.

Transportation is at the bottom of everything in the lumber trade today. There are splendid markets in every direction for the output of every mill in Canada, but it is impossible to take advantage of them. The labor shortage, besides being a factor in the transportation problem is handicapping the mills by making it impossible to take out logs, or to turn out stock as extensively or as cheaply as in normal times. Until the transportation tangle has been straightened out these conditions must continue and the lumbermen must be content with only a fraction of the large trade they could handle if they could only deliver the goods.

An Essential Industry.

The lumber manufacturers and distributors of Canada have responded well to their national obligations during the past year, and may be counted upon to continue to do so in spite of their many handicaps. Their industry is one of the most essential ones in connection with the prosecution of the war, and they are not grumbling because of its difficulties. They have been content with very small price advances, far below those that have been made in almost every other line of trade, and much less than the increased cost of production. They have sought aggressively for every possible means of getting their stock shipped to where it was most needed. They are looking into the future with confidence born of experience and founded upon sound business principles. They are unable to see into the future, although their business is one in which foresight plays a great part, yet they are facing the problems as they come up and dealing with them successfully and quickly.

They are to-day ready to take the risks connected with manufacturing all that they can, in spite of the chaotic state of the transportation situation, and are keeping up their end of the industrial activity of the country with remarkable energy. They realize that the future holds many uncertainties, yet they know that every day that the war continues makes the necessity for their product still greater and that when the war is over one of the most necessary manufactured articles will be lumber and timber. They have fortified themselves by conservative business methods, so that to-day there is a greater percentage of financial soundness among them than probably in any other line of business. It will be seen that whatever depression or difficulties the world may have to pass through when the war comes to an end, the lumber industry will be an important factor in maintaining industrial and economical balance, because lumbermen are men of clear vision and sound patriotic purpose and are able to accomplish their business ideals in a manner which is approached only by a few other industrial groups.

These statements are not platitudes. They would be borne out by a commercial and industrial survey of a searching nature. A striking result of the war in connection with the lumber business has been to illustrate the soundness of the principles upon which it is conducted, and there is no risk in predicting that the influence of the lumbermen of the country will be of great importance during the difficult times that lie ahead of us.

STEEL-WAR ACTIVITY AND THE AFTERMATH.

Continued from page 33.

will not have to rely upon the United States to the same extent as they do now.

It is not unlikely that there will be a period of depression in Canada as in other countries after the war with the resultant falling off in demand for steel. If this reaction does take place no one knows how long it may last, but it will depend largely upon the financial situation at the time. The Canadian steel concerns were never in better shape to meet a period of dull trade so there is little fear of trouble in this respect. The question as to whether our steel companies can participate in export trade after the war is also a difficult one to answer. The main point is, can they compete with the mills of the United States. At present this does not appear possible. In the past, they have not been able, so it is difficult to see how they can succeed in the future, under normal conditions. The U.S. mills have considerably increased their producing capacity, which under normal conditions would tend to lower prices, based on the law of supply and demand. It is not unlikely that as a result, they would, as has been done in the past, cut prices on export orders, thus heading off competition. Under such conditions as these Canadian mills would be handicapped in export business as it is doubtful if they could come down to American prices.

It has to be regretfully admitted that the Canadian steel mills are not at the present time able to compete with mills in the States in producing a number of steel products, principally plates and structural shapes, which eliminates them from much profitable business both domestic and export. It is also doubtful if they can compete in many other lines as their production costs are higher. If legislation were enacted by the Dominion Government to increase the tariffs on steel products, it would benefit Canadian mills for domestic trade. This has been suggested, but never put into force except in a small way in the form of a war tax. Canadian steel companies are now financially able to develop their trade connections by manufacturing new lines and something may yet be done to develop the industry. If it is at all possible to develop the export trade now is the time to act. The producing capacity having been increased the mills will have little difficulty in filling any business that can be obtained. The prospects for trade in the future in spite of keen competition are without a doubt better than in the past. When conditions become normal again the steel industry should flourish.

SIXTY-NINTH ANNUAL REPORT OF THE

Consumers' Gas Company

of Toronto

Year ending 30th September, 1917

In presenting to the Shareholders the Sixty-Ninth Annual Report, the Directors have much satisfaction in being able to state that the Company's business has continued to increase, and that its affairs are in a prosperous condition.

There has been an unprecedented demand for gas during the year, and notwithstanding the many difficulties which have arisen because of labor shortage, transportation complications, the high cost of raw materials, increased taxation, and other unusual conditions, the extraordinary demand for gas has been fully met, and this without any large capital expenditures having been undertaken.

Regard being had to the strenuous conditions, financial and otherwise, existing by reason of the war, it will be obvious that the Company has met these conditions successfully, and that to the advantage of the Shareholders on the one hand, securing to them the continued strong and good standing of the Company, and on the other hand, showing to the consumers the successful efforts that have been made to meet their requirements.

To meet these unusual conditions, has necessitated vigilant care on the part of the Directors, and has involved the closest application to the Company's affairs, on the part of the General Manager, the Secretary, the Superintendents and other officials of the Company, all of whom have proved themselves equal to their responsibilities.

It will be observed that the increase from the sale of gas, has been $519,750.10, and that there has been a very closely corresponding increase in operating expenses; the cost of coal, oil, and other raw materials, and labor, having been very much higher than in the preceding year.

A gratifying feature of the year's operations, has been the development of the sale of gas, in large quantities, for industrial purposes. The higher prices of coal and oil have resulted in the very general adoption of gas as fuel, by industrial concerns, and there is good prospect of this branch of the Company's business being still further extended.

The Company has also been called upon to supply very large quantities of gas to the Military Hospitals, Camps and Depots, and the service which the Company has been able to render, has proved most satisfactory to the military authorities.

On the 21st of May, nine thousand, five hundred and seventy-four (9,574) shares of new capital stock, having a par value of four hundred and seventy-eight thousand, seven hundred dollars ($478,700.00), were allotted and accepted at a premium of fifty per cent., the amount realized amounting to seven hundred and eighteen thousand, and fifty dollars ($718,050.00). Up to the 30th of September four hundred and sixty-six thousand and thirty-five dollars ($466,035.00) had been paid in. The balance outstanding, two hundred and fifty-two thousand and fifteen dollars ($252,015.00) will fall due for payment at intervals during the current financial year.

Your Directors desire to place on record their deep regret at the death on the 10th of August of their honored colleague, Sir Wm. Mortimer Clark, K.C., W.S., LL.D., who for many years rendered valuable service to the Company as a Director.

The vacancy in the Directorate caused by the death of Sir Mortimer Clark, has been filled by the election by the Board of Lt.-Col. J. F. Michie.

Your Directors refer with pride to the fact that three hundred and ninety-three of the Company's men—40%—have voluntarily enlisted for active military service. Thirty-five of this number have made the supreme sacrifice. To the families of those who have fallen, your Directors extend their sincere sympathy.

The Shareholders are asked to confirm the following subscriptions and special allowances, made by the Directors during the past year,—

December, 1916	British Sailors' Relief Fund	$1,000.00
January, 1917	Toronto and York County Patriotic Fund	5,000.00
May, 1917	The Toronto Military Service Fund of the National Y.M.C.A.	500.00
October, 1917	British Red Cross Fund	2,000.00
Payments to wives and families of men enlisted for active military service overseas		25,662.00

The following statement for the past, as compared with the preceding year, shows:—

Year Ending—	Meters	Gas Sales
30th September, 1917	108,719	$3,007,423.89
20th September, 1916	104,541	2,487,673.79
Increase	4,178	$519,750.10

All of which is respectfully submitted.

A. W. AUSTIN,
President.

STATEMENT SHOWING PROFIT REALIZED BY THE CONSUMERS' GAS COMPANY OF TORONTO

From October 1st, 1916, to September 30th, 1917.

DR.

Sept. 30, 1917—	
To Coal, Bituminous	$ 986,998 36
Coal, Anthracite, and Coke	444,099 69
Gas Oil	310,360 88
Oxide	7,786 22
Steam	187,572 56
Wages—Manufacturing	157,984 81
Miscellaneous Wages and General Expenses at Works	233,804 37
Street Department Expense	13,522 78
Meter Settings	52,883 77
Government Fees Inspection of Gas and Meters	16,414 18
Meter Department Expenses	21,178 46
Reading Meters and Delivering Bills	22,500 42
Customers Accounting	35,950 18
Collection, Commissions and Salaries	26,993 65
Sundry Collection and Accounting Expenses	22,220 72
Administration Salaries and Expense	24,813 45
Directors	15,000 00
Auditors	1,800 00
General Salaries and Expenses	96,953 95
Patriotic Donations and Gratuities to Dependents of Enlisted Employees	34,174 57
Taxes, including Workmen's Compensation Tax	153,179 90
Insurance Premiums	21,285 99
Advertising	18,366 99
Arc Lamp and Reflexolier Expense	50,393 37
Cost of Mdse. sold, and Piping Work for Customers	247,690 72
Mdse. Storage and Selling Expense	63,502 82
Commercial Department Expenses	75,610 04
Balance Carried Down	953,306 61
	$4,296,349 46
To Interest	$ 46,271 38
Dividends	495,740 52
Plant and Building Renewal Fund	436,294 71
	$978,306 61

CR.

Sept. 30, 1917—	
By Gas Sales	$3,007,423 89
Residuals Produced	897,498 23
Merchandise Sold, Piping and Burner Rentals	351,317 95
Miscellaneous Revenue	40,109 39
	$4,296,349 46
By Balance Brought Down	$953,306 61
Amount received as Compensation for damage to Company's property on Bathurst Street	25,000 00
	$978,306 61

A. W. AUSTIN,
President.

ARTHUR HEWITT,
General Manager.

Examined and found correct—

W. E. SAMPSON,
EDMOND GUNN, F.C.A. Auditors.

Toronto, 18th October, 1917.

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO

September 30th, 1917.

LIABILITIES.

Sept. 30, 1917—		
Capital Stock:		
Issued under Act, 1887	$2,000,000 00	
" " 1904	3,360,700 00	
		$5,360,700 00
Reserve Fund:		
Amount at Credit Sept. 30, 1917	684,956 21	
Premium on Stock, Act 1904	2,840,877 28	
		3,525,833 49
Plant and Building Renewal Fund,		
Amount at Credit Oct. 1, 1916	1,486,180 28	
Less Repairs and Renewals	314,162 19	
	$1,172,018 09	
Transferred from Profit and Loss, Sept. 30, 1917	436,294 71	
		1,608,312 80
Reserved for Dividend No. 270		129,590 52
Liabilities Accrued, Not Due		36,774 65
Special Bank Advance		767,682 39
Sundry Accounts Payable		243,389 36
		$11,672,283 21

ASSETS.

Sept. 30, 1917—	
Real Estate, Plant and Equipment	$10,132,847 15
Other Investments	205,949 96
Materials and Supplies	632,824 77
Cash in Bank and Offices	135,990 52
Unpaid Capital Stock Subscriptions	252,015 00
Accounts Receivable	310,382 84
Accounts Receivable, Accrued, not due	2,211 47
Prepaid Expenses	61 50
	$11,672,283 21

A. W. AUSTIN,
President

ARTHUR HEWITT,
General Manager

We beg to report the completion of the audit of the books and vouchers of the Consumers' Gas Company of Toronto, for the year ending 30th September, 1917, and certify to their correctness.

(Signed) W. E. SAMPSON,)Auditors
EDMOND GUNN, F.C.A)

Toronto, 18th October, 1917.

PRESIDENT'S REMARKS

in moving the adoption of the Report.

In moving the adoption of the report for last year, I spoke of our statement as being very satisfactory. This year, I have pleasure in stating that it is even more satisfactory. Referring to it as a whole, I think we have every reason to be gratified.

The ever increasing volume of business demonstrates the great field for gas. Already there are more gas customers in the City than water customers. Our statement shows an average increase of nearly fourteen new meters per working day, for the year; and in the last ten years, the output of gas has much more than doubled. No other gas company is doing so large a business on so small invested capital. As I have stated before, our shareholders have nothing to fear from electric or other competition; we have our own field of usefulness. I can see no reason why our regular dividends should not continue as in the past, and I am pleased to see that our stock has been affected by the war, less than most industrials.

To take care of the large increase in business has been a severe tax on our employees who, under trying conditions (when I may say over a third have gone to the war) have shown great courage and devotion to duty.

We made no mistake when we enlarged our plant a few years ago, to provide for making oil gas as well as coal gas, as, on account of the great shortage of coal, oil has come to our rescue quite frequently.

We made our contracts for coal and oil supplies in good season, as usual, but owing to miners' strikes, shortage of cars, and embargoes placed on coal coming into Canada, we have had a very anxious time. It is unfortunate that we have to go outside our own country for coal, and large quantities of oil. Surely our government should learn a lesson from shortages in these most important commodities of late, and set aside a certain sum each year to make tests for oil, coal and natural gas. Our experience since the war started shows the wisdom of such a policy.

We are deeply grateful to some of the coal mining companies in the United States, who have made special efforts to provide us with a supply, even when the demand in their own country was very pressing, some of their gas companies having to shut down for want of coal. Of course the high standing of our company, and happy relations of the past made them anxious to hold our business, and also, they wished to assist an allied country.

In some few sections of the City, where the population has grown very rapidly, we find our mains hardly large enough for the demands upon them, at the time of "peak" loads. We must ask customers in these districts to be patient, as in these war times, it is next to impossible to obtain new pipes, or men to lay them. I am sure they will understand the heavy strain upon us, under war conditions.

I may mention a strange fact. This year, as there has been little or no undermining of our mains, through the operations of others, we have less wastage of gas than ever before.

At the Annual Meeting of the Consumers' Gas Company, held October 29th, the following gentlemen were elected Directors for the ensuing year:—

AUSTIN, A. W., Esq.
CAMPBELL, A. H., Esq.
FRANCIS, WELLINGTON, Esq., K.C.
GRASETT, F. LeM., Esq., M.D.
HOSKIN, JOHN, Esq. K.C., LL.D., D.C.L.
LANGLOIS, H., Esq.
LONG, THOS., Esq.
MICHIE, LIEUT.-COL., J. F.
OSLER, SIR EDMUND, M.P.

At a meeting held subsequently Mr. A. W. Austin and Mr. Wellington Francis, K.C., were unanimously re-elected President and Vice-President, respectively.

PAINT--Developing Export Markets

Industry Has Been Very Prosperous, Despite the Lack of Building Activity—New Markets Being Opened in Australia and New Zealand—Marine Demand is Becoming a Very Promising Factor in the Situation.

LIKE every industry that is more or less dependent upon the erection of new buildings for a continuation of the volume of domestic orders, the paint industry in this respect has been in an even more unfavorable position during the year 1917 than in 1916, inasmuch as building operations have fallen below last year's mark. House painting, therefore, which always has produced the largest bulk in orders of any division, still calls for a far smaller quantity of the output than in normal times, although the present year has seen a revival of business for properties already standing. There is more truth than fiction in the adage, "Everything comes to him who waits." Painting cannot be put off indefinitely any more than repairs can postpone the purchase of a new pair of shoes beyond a limited period.

A Record Year

And yet, in so far as THE FINANCIAL POST could form an estimate from reports of various manufacturers, this year will rank as the best in the paint industry in Canada. The refurbishing of equipment by the railways, to cite only one instance, has been an even more fruitful source of business this year than last. Car building for months past has ranked as a substantial item in the demand for paint that has supplemented maintenance requirements.

But apart from these more or less normal requisites there have developed several promising factors that are likely to stand the paint industry in good stead for years to come, and will enable it to forge ahead in gross sales and net profits when domestic needs return to normal.

One of these consists of a tendency to make the Canadian industry more self-centered in so far as the manufacture of some chemicals are concerned, for which, before the war, dependence was had on Germany. The United States, however, still continues to be the main source and with the growth of home manufacture this year imports of raw materials have grown almost correspondingly.

Shipbuilding Creates Orders

A distinctly new line that is opening up with bright prospects for many years is what is called the "marine" end. This is the natural outcome of the recent development of shipbuilding, and the revival of the old industry of making wooden ships. During the year more than one paint manufacturer organized a "marine" branch, and the names of several Montreal paint firms adorn the directories of Vancouver, B.C., for the first time. Fifty new vessels that are building in British Columbia at a cost of $25,000,000 to the average mind connote the coming transportation of munitions and foodstuffs; to the paint man they hold out visions of paint orders aggregating many hundreds of thousands of dollars. The activity of the Imperial Munitions Board in developing ocean carriers in Canada has set the paint factories on the tiptoe of expectation, and big orders are just beginning to flow in. This is counted upon as furnishing a considerable output for paints in Canada for years to come, and recalls, in the case of at least one company, a source of business that flourished in the Maritime Provinces within the last half century.

Developing Export Markets.

While waiting for domestic business to resume enterprise has been directed to seeking new markets, and with very promising results. Besides the United Kingdom there has been a fair export trade with the British West Indies, Newfoundland, Mexico, Cuba and South America.

To these have been added Australia, New Zealand and China, and, in so far as shipping facilities would permit, the two former have been good customers. A white lead factory is being located in Australia by one manufacturer, and future business, it would appear, should grow steadily after the war when the scarcity of bottoms is not as acute as at present.

How Exports Have Grown.

Figures from the official government returns will illustrate the growth of exports as a war development. Side by side with these may be placed the imports, and both sets of figures should be qualified by discounting the totals to cover heavy advances in values since shortly after the war began.

	Exports	Imports
1911	106,260	1,594,934
1912	115,657	1,760,126
1913	166,545	2,403,011
1914	175,723	2,167,440
1915	212,167	1,568,867
1916	371,086	2,056,085
1917	1,033,233	3,065,289

The exports for the year ending March 31, 1917, were almost three times what they were for 1915-16. The exports are now ten times what they were in 1911; the imports have less than doubled.

The following table shows the destination of a large portion of Canadian exports, half a million to the United Kingdom alone, but this includes South Africa and other countries. This amount is nearly eight times what it was two years ago. Newfoundland is proving a good customer.

	1915	1916	1917
United Kingdom	70,287	204,002	547,316
United States...	20,705	43,817	107,580
Newfoundland..	42,880	39,948	67,000
Other countries.	35,582	62,531	241,102
	*169,454	*349,298	*962,998

*There were small shipments in addition of "foreign produce," as distinct from these three amounts which were "Canadian produce."

Coming to the operations of individual concerns, THE FINANCIAL POST understands that the majority will be able to report not only increased gross earnings, but net profits as well. The two are not necessarily co-related, as would be the case in normal times. During the year 1915 and part of 1916 raw materials still remained on hand that had been purchased before the war, or before prices appreciated to any great extent. For this year much higher prices had to be asked by the manufacturers to cover higher costs, and for some months it was doubtful as to whether the margin of profit would be as large as before. It is generally conceded that net earnings have held up.

Some figures are submitted here from the two companies whose annual reports are made public, showing the gains they have made since the war began. In both cases it is understood 1917 will exceed the 1916 record.

	1916	1915	1914
Net Profits.			
Sherwin-Williams	$846,966	$577,304	$682,736
Brandram-Hender.	223,575	175,689	....
Surplus For Year.			
Sherwin-Williams	$423,181	$174,497	$273,266
Brandham-Hender.	134,401	....	....
Profit and Loss Surplus.			
Sherwin-Williams	$1,354,362	$980,989	$821,829
Brandham-Hender.	349,465	215,064	....
Per Cent. Earned on Common Stock.			
Sherwin-Williams	10.57	4.36	6.83
Brandham-Hender.	13.8	...	...

TALC AND SOAPSTONE.

America the Largest Producer and Consumer.

The United States is by far the largest producer and consumer of talc in the world, according to the United States Geological Survey, Department of the Interior. The softness, absorptive capacity, difficult fusibility and solubility and electric resistance of talc make it one of the most generally useful of all minerals in the arts and industries. Its principal military use is to prevent sore feet among marching soldiers. Only pure ground talc should be used for this purpose. The demand for the "footease" grade of ground talc, which is now extensively used in the Army, may be fully supplied in this country. Although the war has stimulated production, it has not greatly increased the price.

EGYPT'S COTTON.

Wheat Grown in Preference for Domestic Needs.

It is most unfortunate that at the exact moment when a further output of Empire-grown cotton is urgently needed (says "Production," the monthly report of the British Empire Producers' Organization) the production of Egyptian cotton should have to be curtailed and wheat substituted. It is unfortunate, but it seems inevitable. Except where the cotton area has been largely restricted, Egypt has never been able to grow enough cereals to meet her own wants. She is now faced with the necessity of growing more wheat to meet the larger local consumption due to the increased military forces in the country, and to replace the restricted imports due to lack of tonnage. It is presumed by the British Empire Producers' Organization that the whole question was thoroughly considered before the Government came to the present decision, which is naturally a serious one. Egyptian cotton, and more of it, is badly wanted in Manchester, but the food question in Egypt must, of course, be paramount.

PULP AND PAPER—INDUSTRY ON SOLID BASIS.

Continued on page 26.

American mills from newsprint to other grades, due to the increasing cost of raw materials and the difficulty of securing them. Through greater economy of production the industry is naturally moving from the United States into Canada.

During 1916 it is estimated that 600 tons a day capacity of newsprint machines was diverted to other grades. At the same time only two new machines of 50 tons a day capacity were installed. That is to say there was a net reduction of 500 tons a day in the output of American mills. This year there is a prospect that the net production will have been still further reduced. Concurrently, consumption of newsprint is growing. It is figured that the increase runs from 6 to 10 per cent. per year. This means that it is to Canada that the American publishers must look for the larger supplies of paper that are needed from year to year.

And what is the situation in Canada? In 1916, only 50 tons a day of new tonnage came on the market. This year about 600 tons will be added and next year about the same amount. If the United States continues to divert machines from newsprint to other grades of paper at the rate of 600 tons a day, while the consumption of newsprint grows at the rate of 500 tons a day, it must be clear that, even with Canada adding 600 tons a day capacity, there will still be a shortage. It is this prospect which has been causing publishers so much concern, leading them to take steps to curtail consumption and otherwise ward off a paper famine.

Abnormal Conditions.

An examination of the table on this page showing the course of stock prices and the percentage paid out in dividends illustrates two outstanding developments of the year,—one the heavy decline in security values, the other the increase in dividend disbursements. The two would clearly be incompatible were it not for the abnormal conditions under which the industry is advancing.

The year has witnessed a strenuous effort on the part of Canadian newspaper publishers to keep down the price of newsprint. Notwithstanding the heavy advances in practically every commodity in daily use, due to curtailed production, and the corresponding rise in the cost of paper manufacture, the law of supply and demand has been ignored and such representations made to the government that a fixed price of 2½ cents has been established by order-in-council. The unfairness of such a procedure has been demonstrated by the subsequent action of the government, which has appointed a commission to ascertain whether it did right or wrong in placing the price at 2½ cents. This commission has nearly completed its work, having instituted a careful examination of the paper companies' costs by an impartial accountant. From figures already made public it would appear incredible that the commissioner could support the continuance of the 2½ cent rate.

The newsprint inquiry has been one of the outstanding events of the year in the history of the industry. It has undoubtedly exerted a prejudicial effect on the values of securities, though it is doubtful whether there would not have been a heavy decline in any case owing to the unsettled state of the markets. The very fact that balance sheets issued during the year showed unprecedented profits would have been sufficient to boom prices had it not been for the general depression prevailing.

It may be taken for granted that the present range of prices has discounted all possible adverse developments in the way of taxation of profits, price-fixing and other reasonably possible eventualities. A serious prolongation of the war, with the forcing up of money rates to still higher levels, would naturally tend to depress all security prices, but, barring that contingency, the pulp and paper shares are in a most attractive position for the investor. When such excellent stocks as Laurentide and Riordon can be bought at present levels and when issues with such fine speculative possibilities as Spanish River and Brompton can be acquired so cheaply, it is surely a bargain time in the market for pulp and paper stocks.

The Fuel Administration intends to requisition one-tenth of the coal supply of the mines for use of consumers if any coal crises develop during the war. During October the weekly output of bituminous coal was approximately 11,000,000 tons.

A Company That Is Rendering A Notable Public Service

IN this critical period of our Nation's History, when the price of materials, supplies and everything necessary to the handling and delivery of Pure Milk, has increased enormously, the City Dairy Company has maintained its high standard of Product and Service unbroken.

A visit to the City Dairy plant will convince one very quickly of the exceedingly important part that this Industry has played and is playing in the health and happiness of many thousands of homes in the City of Toronto.

Absolutely Sanitary Methods

Few people stop to think what it means to receive their pure pasteurized milk each day and three hundred and sixty-five days in the year. The milk is first delivered to the Receiving Station, where it is cooled to the proper degree for safe transit and loaded on the cars. These are carefully iced in summer weather. Milk trains are met at the depot and their contents taken immediately to the Plant. Here samples are taken and tests made, and the milk is weighed, carried to glass-lined containers, clarified, pasteurized, cooled, bottled in air-tight sealed bottles and taken by carriers to the cold storage rooms, where it is kept at the proper temperature until delivery starts in the early hours of the morning.

Delivery proceeds uninterruptedly, rain or shine, summer or winter, each and every day of the year. Drivers collect the empty bottles and check them in at the Dairy, where they are cleaned, sterilized, examined and again go through the process of being filled. Cans, in which the milk is received, are also thoroughly cleansed and sterilized before being sent out again to the producers or Receiving Stations.

Every operation is carried on in the most absolutely sanitary manner. Pipes, valves and machines are thoroughly cleansed each day. The entire plant is kept sweet and clean to the last word.

Offices and Chief Plant, Toronto.

A Company That Renders "Service"

Did you ever stop to consider that the pure, safe milk, which you use each day of the year, has to be cared for in this manner? That special machinery and equipment have to be maintained to take care of the surplus received in order that sufficient milk is always coming in fresh to take care of the varying demands of users day by day?

Nor should one overlook the very important work and large investment necessary to produce, at City Dairy Farms, the Certified Milk used so largely by babies and children. "Baby Milk," scientifically prepared, calls for special apparatus and treatment, including a specially equipped laboratory for testing.

In order to render these Services, for "Service" is what the City Dairy Organization stands for, over a million dollars has been expended to provide the most up-to-date sanitary methods for handling this most essential of all foods.

Modern fire-proof stables have been built so that there shall be no interruption to the Daily Delivery. Fire-proof dairy buildings have been erected, with automatic sprinkler systems. Waggon repair shops and country receiving stations have been provided. Tin shops for the manufacture of cans, and bottle storage rooms to guard against shortages of bottles, have been included, all absolutely essential in order that the bottle of milk, cream or buttermilk, or City Dairy butter, be received fresh, pure and "safe" each day.

The Directorate, etc.

The president, C. B. McNaught, has held his office since the beginning of the current year. Other directors are: S. J. Moore, Vice-President; A. E. Ames; T. N. Shenstone; Lt.-Col. Fred H. Deacon; George Weston; John G. Kent; T. E. Robertson. W. J. Northgrave became general manager this year after fifteen years' thorough experience with the Company.

The Outlook

For some years prior to 1916, the Company was able to make a reasonable return on the capital invested. Last year, however, was a difficult one for the milk business. There was a marked scarcity of milk and prices of all raw materials and supplies were advancing. The volume of business transacted, however, was satisfactory,—in fact, it showed a substantial gain,—but increasing costs materially affected the year's results.

This year the executive has been rigidly cutting down overhead expenses, that is, as far as consistent with the maintenance of the Company's high standard of Product and Service, and, in spite of unfavorable conditions, the business during the current year is showing a decided improvement with balances on the right side.

City Dairy Company, Limited
TORONTO, CANADA

CONSTRUCTION--Costs Affect Activity

General Contracting Decreased Under Heavy Advances in Costs of Material and Labor—"War" Business Construction Nearly at an End—Insisting on Definite Profit or Percentage on Contracts—Bright Future in Reorganization After the War.

INQUIRIES that have been made among contractors, large and small, by THE FINANCIAL POST, find a general agreement that, taken as a whole, building operations in Canada this past season have been less in volume than in any year since the boom days of 1912-1913. The reasons for this condition are placed mainly at the door of the high cost of materials and of labor.

With a single exception most of the activity that has characterized the paper mills during the past ten years has ceased. The government at Ottawa has shut down on millions of dollars worth of contracts that in a normal year would have been let for public buildings, as well as other engineering works all over the country. The war tax on profits has operated in some directions to discourage immediate erection of new factories and extensions to old one. Municipalities in a spirit of war economy have been working on minimum lines. Industries generally have been loth to launch into heavy expenditures on buildings and plant where the increased capital cost would react for years against them in a higher cost of goods that would be in competition with those of other concerns whose plant represented a lower capital cost and hence of interest charges. In the face of almost famine conditions in house rentals contractors have hesitated to erect dwelling on a basis of from 35 to 50 per cent. of extra cost, lest they would be unable in a short time to secure a fair interest on the investment, when the scale of renting and selling prices would be fixed mainly by the average of houses erected on a much lower cost basis.

Few New Plants For "War" Orders

There is another direction in which building activity has been checked this season; that of distinctively war propositions. In 1915 and 1916 many plants were erected for the purpose of taking advantage of what were known as "war orders," munitions and many more. In these it was known that the higher level of profits that was allowed as a general rule would permit of the erection of plants and the wiping out of most of the capital cost from the profits in a limited period of operations.

With the lessening of munitions orders there are few concerns that would care to take the risk of putting up buildings and buying equipment at heavy advances even on last year's figures, lest they be unable to provide out of the lessened profits, that are being shaded down continually, for the "amortization" of these plants, and emerge after the war with dead and unpaid stock on their hands. The necessity for the writing off of the cost of these plants has been illustrated by the action taken during the past year in this direction by such large munition makers as the P. Lyall & Sons Construction Company, the Canadian Locomotive Works, the Canadian Car and Foundry Company, and many others.

Dullness Must Soon Give Way.

That the present condition approaching to inertia in the construction industry cannot continue indefinitely, even if the war drags on and prices of raw materials keep up and even advance, as they may, is the general opinion also. In the large cities houses are becoming more and more scarce, and some such plan as is being worked out in Montreal for less stringent building regulations on outskirts in order to encourage as well as make possible the erection of moderate priced dwellings, may be extended to many municipalities. The manufacturers, faced with growing pressure for their commodities will be forced in the general interest of their business, and especially the prospect of winning and holding export trade, to provide the buildings for the expansion of this business. More than all else, immediately after the war, building contractors are counting on the enormous demands that will result from a rush of immigration to develop a new record in construction. For the present they are taking what they can get, but running no risks in the process. Their office staffs and lists of permanent employees have been cut; and the brick manufacturers are operating at one-third capacity or less.

Concrete, on the other hand, is increasing in volume of sales, as it is being utilized in place of steel and is finding an increasing sale in agricultural districts and in road making generally.

How Materials Have Advanced.

Various estimates are made as to the average rise in the cost of raw materials, but these vary with the appraiser. Steel has gone up from 200 to 300 per cent.; brick from about $8.75 to over $12, brought about in large measure by the increase in soft coal from $1.35 and $1.50 a ton to $4.50 and upwards. Cement has advanced 35 to 40 per cent., and labor from 25 to 50 per cent. Much in the latter case depends on the supply or lack of men, and the urgency of the contract. Some contractors reported to THE FINANCIAL POST that common labor, that ran from 17½ to 22½ cents before the war, at the present time cost 30, 32½ and 35 cents, while bricklayers, for instance, in the class of skilled labor, had been advanced first from 40 to 45 cents, and many had now secured 50 cents. Carpenters have received proportionate advances.

Lumber up 35% in 4 months.

The rise in the cost of lumber has been phenomenal, particularly the last few months. The manager of one of the most prominent construction companies in Canada told THE FINANCIAL POST that they had bought British Columbia firs last June for $40 per M, and to-day this had gone up to $55. The same fir sold last year in Victoria, B.C., for $20, but the Imperial Munitions Board, in securing a certain supply for the new shipbuilding industry, had gone into the market and guaranteed a price of $35 per M. In this way the ships and docks were assured of the pick of the timber, and contractors paid more.

Cannot Get Steel Delivered.

In the case of steel construction, and reinforced concrete to a less extent, the cost difficulties have been accentuated by its being now almost impossible to get delivery of the steel, in the face of the demands of the United States Government and the quantity required in Canada for war purposes. On this account, rather than on the increased cost, it is understood that the T. Eaton Company of Toronto gave up temporarily the huge department store at the corner of Yonge and College Streets. In this case the contractors were asked to submit a definite price for the whole building (which is estimated to cost fifteen or twenty millions before it is finally completed), or for the units thereof.

Balk at "Lump" Tenders.

This brings up an interesting feature of the construction industry under present conditions, and one that may have tremendous influence on conditions of contracting in the future. Many of the contractors refused to submit a figure for a "lump" sum for the Eaton building; and the same course was taken in the case of a number of other big tenders that have been called for. The reason for this is that the contractors were unwilling to risk a sudden rise in the cost of materials that might wipe out in a day the whole of their profits on the job, and return a net loss to them. A tendency has developed to insist on one of three conditions.

A Triple Form of Tender.

1. A fixed fee for the work, with no relation to the cost.
2. A bonus and penalty clause.
3. Cost and percentage.

The second case is becoming a common method. In this the contractor agrees to construct the work for a certain amount. At the same time he gives a guarantee of the maximum cost. If this is exceeded he is penalized to the extent of 50 per cent. of the excess, and if the cost falls below the maximum figure, he receives half the difference.

The third case is where there is no guarantee and the contractor gets paid a percentage of the actual cost on a schedule where the percentage decreases as the amount rises. For instance, in the case of the Parliament Buildings at Ottawa, the contractor receives 8 per cent. on the expenditure of labor and material up to $4,000,000; 7 per cent. between that amount and $5,000,000; while no percentage is allowed above that amount.

This method may develop into a permanent system, in which the reputation of a contractor, rather than the magnifying of the cost feature, would be the deciding factor in his choice. This would make a reasonable profit certain in practically every case. At all events it is inevitable during the continuation of the war and even after if prices are likely to fluctuate to any extent.

Going Into Shipbuilding.

With new business slack two of the construction companies, at least, have gone into shipbuilding at the Pacific Coast: P. Lyall & Sons Construction Co., under Wm. Lyall, and having no connection with the Construction Company; and the Foundation Company has also taken up the building of ships.

Interesting figures are available from the annual reports of a few of the large companies. In the case of Lyall's it is understood that the assured profits on the Ottawa Parliament Buildings and the Union Station will care for the new dividend of 8 per cent. on common. The increase in profits, however, was due in the main to big munitions orders, rather than to construction. A large share of these, however, have been renewed.

P. LYALL & SONS CONSTRUCTION CO.

Head office, Montreal. Earnings, 1917, $915,449; 1916, $234,644; 1915, $209,677.

Profit and Loss Account.—1917, $204,102; 1916, $115,202; 1915, $82,830.

Capital Stock.—$1,300,000, 7% cumulative preferred; $1,750,000 common, 8%.

THE FOUNDATION CO.

Head office, New York; for Canada, Montreal. Surplus and profits for 1916, $653,567; assets, $1,255,450.

Capital Stock.—$500,000, 8% cumulative preferred; $100,000 common.

GEO. A. FULLER CO.

Head office, New York. Operating in Canada. Work executed during year 1914, $23,286,620; 1915, $18,233,470; 1916, $15,147,172.

Profit and Loss Account.—1916, $663,657; 1915, $652,908.

Capital Stock.—$1,000,000, 7% cumulative preferred and $2,000,000 common.

NORCROSS BROTHERS CO.

Head office, Worcester, Mass. Net earnings average $136,000 a year. Surplus in 1915, $119,012; in 1914, $380,993.

Capital Stock.—$600,000, 7% cumulative preferred, and $637,500 common.

PACKING--An Expanding Industry

Immense Increase in Exports of Bacon the Great Feature of the Year's Business—Attack on Profits Not Likely to Have Serious Effect on Investments—Cold Storage System Misunderstood by the Public.

WHILE from the public standpoint, investigations into the operations and profits of the packing houses have most outstanding feature of packing industry during year, from the investor's standpoint the significant development has been the huge expansion of the export business. The agitation against so-called "profiteering" has undoubtedly raised quite a turmoil and has probably alarmed timid investors but, when all is said and done, the only possible outcome of the inquiry into packing house profits will be heavier taxation, the appropriation by the government of a larger proportion of the profits accruing. This is to be the common lot of all companies, if signs do not fail, so that there will be no undue discrimination so far as the packing companies are concerned.

Expansion of Exports.

Export business, particularly in bacon, has been growing with rapid strides. During the fiscal year ending March 31, Canada exported over $43,000,000 worth of bacon, which compares with $25,710,767 in 1915-16 and $11,811,825 in 1914-15. During the five months ending August 31, exports amounted to $24,769,784, or at the rate of nearly $5,000,000 a month or $60,000,000 a year. This is a phenomenal growth. When it is recalled that Canadian packers have had to enter the United States markets for pork, bring it over here to be cured and then place it in the British market, all in competition with the American packers, the achievement becomes a notable one. It speaks well for the efficient organization of the Canadian packing houses.

The importation of pork, as well as other meats, from the United States, is increasing concurrently with Canada's heavier exports. Thus, of fresh

Continued on page 38.

Canada's Exports of Packing House Products.

	1912	1913	1914	1915	1916	1917
Bacon	$7,520,362	$5,350,845	$3,763,195	$11,811,825	$25,710,767	$43,011,439
Beef	86,596	135,111	1,127,908	1,988,489	5,994,833	5,750,435
Canned	24,312	26,718	94,961	2,340,081	2,730,616	1,717,758
Hams	399,329	322,669	269,911	2,652,917	1,379,346	766,595
Pork	49,301	57,690	202,391	2,599,844	1,990,856	2,522,926
Eggs	56,724	35,519	37,150	965,640	2,273,412	1,810,380

CONSTRUCTION IN CONCRETE IS MAKING GOOD

Modern Method of Building for Permanence and Economy.

FOR FARM, ROAD, AND CITY

Increasing Appreciation of the Advantages of Reinforced Concrete Develops in the Dominion.

By J. F. RHODES.

Modern construction in almost all its departments in these days has a question to consider before a plan is made or a hand's-turn put to the work proposed. That question is 'Can it be done in concrete?' Building construction of all kinds, engineering undertakings, and the manufacture of many articles formerly made in wood or iron have come to depend more and more upon concrete. Almost daily new uses for concrete are discovered. From baptismal font to coffin the material of most modern methods proves its utility, its efficiency, and its economy. Concrete is a factor in the making of world-civilisation. Concrete is advancing the cause of sanitation and of education, and paving the paths of progress everywhere. For some industrial and constructional purposes it is more suitable than for others, but there are few achievements of modern industry in which concrete has not a share. Since the early days when concrete was used merely in its heaviest form for the most massive constructional undertakings wider and wider knowledge of its possibilities has become diffused in all directions, and all conditions of capital interested in construction work are sooner or later confronted with the choice between concrete and some other material of less modern and often more expensive character in several ways. More and more is modern capital coming to decide on the use of concrete in the construction of plant and equipment for its undertakings in all parts of the world. More and more is this true of Canada. Concrete is to-day doing much towards the development of Canada. Indications point insistently to still greater achievements ahead for this most adaptable material.

Counteracts Cost of Steel.

Curiously enough the high cost of steel occasioned by the outbreak of the world war, and which has hindered so many modern industries, has actually helped in a manner to establish the place of concrete as a constructional material. The war has not helped concrete into fields of more lavish use, for war has curtailed the development of one or two of the principal fields of concrete construction, but the war has led to the use of concrete in important other and new directions because of its economy as compared to the high priced steel which would otherwise have been used.

When some years ago, the Frenchman, Monoyer, invented reinforced concrete as a constructional material for the less massive superstructure of buildings, and thus improved on the former idea of using concrete for foundations and heavy work only, he began an industrial process so far reaching that even in its much more advanced stages of to-day, it is only in its infancy. Great, and strong, and commercially important in a hundred and one ways in its very babyhood, concrete construction is on the way to becoming in its maturity an economic giant,—a benevolent Titan helping the business and industrial world hugely.

Important Advantage of Concrete.

Reinforced concrete is now displacing structural steel in construction work to quite a marked extent. One reason for this, as has been pointed out, is the high cost of structural steel. Another reason is that while steel work is permanent if properly taken care of and painted from year to year, concrete requires no such continual attention to ensure its life. Maintenance charges for concrete construction are low. First cost is lower than first cost of steel construction. Both are good reasons for the wider use of concrete construction which is a feature of modern times. Reinforced concrete construction also requires less highly skilled labor for its processes. But the best reason for the use of concrete as compared to other materials of construction such as wood and steel, is that its cost of upkeep is so much less than that of the other materials. This has led to the increasing use of concrete for construction of storage tanks, reservoirs, country elevators, coal pockets, and similar large structures.

Concrete for the Farmer.

Everyone interested in the subject of concrete at all associates reinforced concrete first with great engineering works, dams and barrages, foundations of bridges, and the construction of wharves and piers in which piles are used. It is in works of this nature that concrete construction has been tried out, and has made good beyond expectations in every aspect, from celerity of construction to permanent endurance, from comparative cheapness of initial outlay to undoubted economy in maintenance. But it is not yet widely enough realised that reinforced concrete and concrete construction generally have come to enter very largely into the economy of agriculture in Canada. To the average city-dweller, for instance, it is something new to learn that concrete is a material of great importance to the farmer. Yet from that fact there are important issues of advantage to the business and domestic life of cities. Concrete on the farm is helping to reduce the cost of living. Wherever it is used on the farm concrete is advancing sanitation, economy, and efficiency. Concrete is lightening labor, saving time, and making previously hard conditions easier for the farmer. More and more are Canadian farmers appreciating the value of this constructional material for the purposes of their industry. Canada is above all things an agricultural country. Canadian farmers are growing more prosperous from year to year. Amongst the first things a farmer figures on when he finds prosperity coming his way is improvement of his farm. Here concrete comes in. Farm buildings in average cases don't get the care that engineering buildings get. Wooden structures on farms get dilapidated and even if kept in repair, require constant attention. Even where metal is used in construction paint is required often. Concrete construction calls for far less upkeep. This is leading many farmers in Canada, now that prosperity is coming their way, to construct improved buildings on their farms of concrete for the protection of their crops, cattle, and farm machinery. The first cost is low. The results are lasting.

Farm Sanitation by Concrete.

Yearly more exacting grow the requirements of Health Officers in the realm of Sanitation on the Farm. Farmers find it more and more to their advantage to make their barn and stable surroundings sweet and sanitary. Concrete of all materials is best adapted to assisting them in this. Concrete and cleanliness are terms closely connected. Concrete and water are on good terms with one another. Where wood grows slimy, absorbs water, rots, and crumbles in farm construction work, concrete comes up smiling, pure and spotless. Odors of the stable may cling to wood: concrete is odorless and can be absolutely sterilized daily. No other construction can compare in cleanliness with a concrete floored and stalled cow-shed, and for perfection of purity in the farm dairy, look for the dairy farms which feature concrete construction. Such premises can be washed and scoured daily without risk of deterioration until floors and fittings are white as driven snow.

The Great Matter of Good Roads.

Concrete comes into its own most manifestly in these days in connection with the good roads movement. Until the arrival of the automobile with its attendant effects of unprecedented wear and tear upon the surface of macadamised roads macadam was a mighty good road-making material. But macadam is merely a rock base road construction bound together with rock dust and water under pressure. The rending effects of fast revolving automobile tires soon work havoc upon macadamised roads. A stronger bond between the rock ribs of the road bed is necessary under modern traffic conditions on city and on country roads. Concrete provides that stronger, more enduring bond. Reinforced concrete roads are gaining in favor with townships and municipalities everywhere. Before 1909 there had been laid in Canada only 72,806 square yards of concrete roads. By 1912 the yardage was 214,000. In 1914 550,000 yards of reinforced concrete roads had been laid, and in 1915 no less than 682,000 square yards of concrete roads existed.

Economic of Concrete Roads.

Construction of reinforced concrete roads with slab surfaces interwoven with strong flexible steel webbing makes for magnificent lasting quality in the road. The steel wire webbing is a 'safety first' measure, which ensures that even if a slab cracks, as it might under untoward strain, the edges at the fracture cannot work with wearing effect against one another, and a repair can be quickly and easily effected, rendering the road as good again as new. In the all important matter of maintenance the concrete road is immensely more economical than almost any other kind of road. First cost may perhaps loom up large before the tax-dreading farmer or resident of the country district, but if only the future savings in upkeep could be realised by everyone in their striking comparison with other road-making methods and in favor of concrete, the country districts of Canada would soon be widely equipped with concrete roads. As it is, their use is rapidly increasing, most notably in Ontario, which is an outstandingly progressive province, though fortunately enough the road development policy of the province of Quebec is as fine as that of any other province of the Dominion, and it is only a matter of time before the concrete road will be as widestretched throughout Quebec as through Ontario. A further point in favor of the concrete road is that it is passable at all seasons of the year, spring and fall alike, without getting all rutty and washed out or flooded. Still further in the concrete road's favor is the speed it lends to traffic, and the way it lightens the burden on teams, and reduces strain on wheeled vehicles of all descriptions. On a level stretch of rough old-fashioned road a pull of from 300 to 400 lbs. is necessary to haul a ton weight. On macadamised road a pull of about 50 lbs. at least is required to haul the same weight. On a concrete road barely 30 lbs. of a pull will move a ton along easily. This factor of power economy is worth the consideration of farmers fearing high taxes from the installation of concrete roads. The concrete road may cost a very little more at first than other roads but these roads vastly enhance the value of land they serve. They speed up transportation to and from the farms. They improve the social life of the districts they pass through. They bring the city closer to the country, and help the farmer market his perishable produce quickly and seasonably. He can freight twice the load in half the time over a concrete road and with far less wear and tear to his harness, his horses, his rigs. Concrete roads in the country make schools more accessible for children in all weathers, and help combat the cost of living for city dwellers by assisting the farmers market their produce.

Railways and Shipyards.

Much more might be written about concrete and the good roads movement, for concrete is the ideal material for road-making, but there are still some other important uses of concrete in modern commerce and industry which must be mentioned. In road-making, when viaducts become necessary in city or country, reinforced concrete is the material used now almost invariably. The latest couple of large viaducts being built by a great Canadian Railway Company at Toronto are of reinforced concrete. There are others all over the Dominion. Railways use enormous amounts of concrete, indeed in the United States the railway companies are coming to have their own concrete plants established to take care of their own needs entirely in the concrete line. Signal posts, boundary posts, culverts, bridge piers and superstructure, tunnel linings, subways, arches of all kinds in railway work are largely of concrete in these days.

For marine work concrete is immensely serviceable. Piles and wharf construction generally, warehouses, slips, and docks are being carried out in reinforced concrete more and more. It has come to it that even the ships themselves are being built of concrete on steel framing. One is now building in the Dominion at Montreal as an experiment, but with all odds much in favor of the success of the venture. For concrete is a material well calculated to make good in marine service. Concrete piles are proof against all sea stresses, insidious actions, insect attacks. The teredo worm, against which copper sheathing, even, is a feeble armor, fails to do the slightest injury to reinforced concrete. There is a future for concrete in marine work beyond doubt. Its qualities of permanence, ease of construction, economy, and low cost of maintenance are much in its favor.

Conclusion—King Concrete!

The foregoing facts have been briefly, and but sketchily told to call attention to the main uses of concrete in Canada to-day, and to indicate just roughly why capital is interested everywhere in the great developments evident in connection with concrete construction. That concrete—reinforced in various ways for various purposes—is coming to be the King of construction materials for this world's purposes is an opinion held by sane and conservative construction men who are watching the steady increase of the use of this material. As previously noted, the effects of the war have been in some measure to retard the progress of King Concrete to his full dominion, but even the war has developed the use of concrete in military doings, and has by raising the cost of steel guided men to discover the merits of concrete construction in civilian business. Six million barrels of cement per annum used in making reinforced concrete in Canada is an estimate based on the actual consumption in 1913. Future years will mean much more.

The Good Business of Heating a Nation's Homes

—that and other things

By JOHN C. KIRKWOOD

PART of my business and some of my pleasure are to skim the advertising pages in the public press—newspapers, farm papers, magazines, and so on. In this way I have been coming across the advertisements of the "King" Boiler and "Imperial" Radiators.

Why this advertising?—this in view of the fact that building operations are at a low ebb, and have been so since the war began? Why should Steel & Radiation conduct a strong advertising campaign at this time, and why should they have maintained this campaign fairly continuously since the outbreak of war when demand for their product, from the nature of things, must be small?

The way to get a question answered is to go to those who can answer it; and so I sought out from the Managing Director of the Company the answer I desired to my enquiring.

I obtained the answer I wanted, and something more; and it is the story of that interview that I want to tell here and now—in the belief that it will interest others, readers of THE FINANCIAL POST, some of whom very probably are owners of Steel & Radiation bonds or shares.

QUESTIONS ANSWERED

Answering my specific question: "Why do you advertise when the demand for 'King' Boilers and 'Imperial' Radiators cannot be very large?" The Managing Director said:—

"We believe that our policy of establishing wide acquaintance with our 'King' Boiler and 'Imperial' Radiators during these present times is good business, and good policy. The present dull time in the building trade will not always continue. When the revival does come—and there are clear signs of encouragement—the certain thing is that our boilers and radiators will be wanted. What work we do now lessens the amount of work which would be necessary later on. It takes much time and continuous effort to build up demand for anything. Often—indeed, generally—demand follows steady educational work. We are merely fore-sighted. It is not, in our judgment, a waste of effort, but, on the other hand, a policy of prudence.

"Then, too, you must remember that there is always some building going on, and that boilers wear out. As a matter of fact, we are doing a very satisfactory business in 'King' Boilers and 'Imperial' Radiators in spite of the dull condition of the building trade.

"Also the effort we are making now to establish acquaintance with, confidence in, and favor for our product is resulting in our securing good agency connections all over Canada. If we didn't do some advertising, I fear we would have difficulty in securing good agents. As it is, we have established a fine distributing organization which will be all ready when the trade revives.

"So you see that what spending on publicity we have been doing, has justification."

FENESTRA STEEL SASH

A little later on I shall dwell at some length on "King" Boilers and "Imperial" Radiators—telling some things learned; but before proceeding, I wish to refer to two products of Steel & Radiation that have in them the sure promise of big business. I refer to the Company's "Fenestra" Steel Sash and its expanded metal.

We are all familiar with the new type of building—made commonly of cement, with walls which are half glass; for light, as a commodity, has come to be recognized at its true worth. Immense and many windows permit the ingress of bountiful, healthful, hygienic, stimulating light. Workers do their labor more efficiently and more sustainedly where sunlight floods the rooms of toil. Because of its economical aspects light is desired and contrived for. This means ample windows, and windows mean steel sash. Steel, the universal medium has usurped wood, not alone because of its permanency and the greater ease of manipulating it, but, because of its relation to fire prevention and insurance rates..

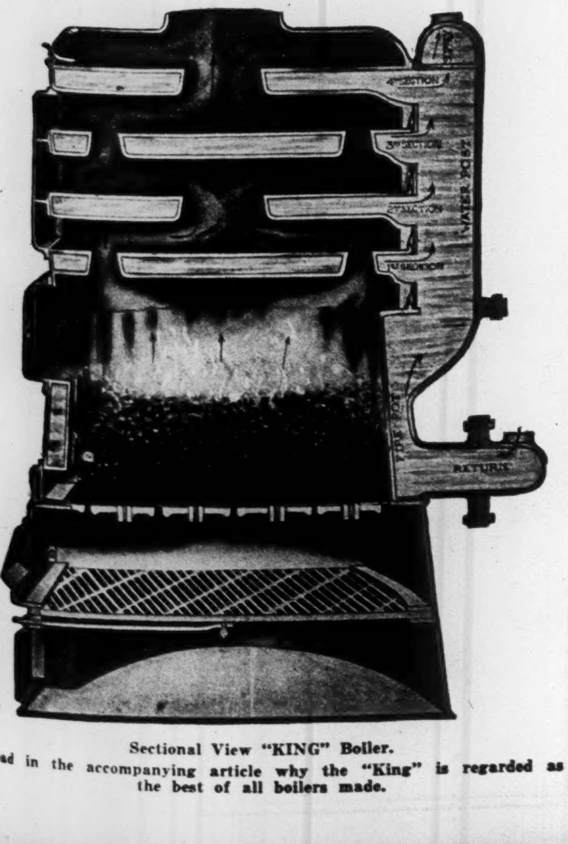
Steel sash is not confined, in its use, to factories and such-like buildings. It is used in all classes of structures—churches, public buildings, dwellings, and even stables. It is wood's principal substitute. Because of the universality of its use, steel sash is a metal product of immense and enlarging demand.

One thinks again, in this connection, of the post-war days, when factories and new buildings of all sorts will be reared; and every one of which will be a prospective, if not an actual, user of steel sash. So for its Fenestra Steel Sash, Steel & Radiation has an almost limitless market.

EXPANDED METAL AND ITS USES

Expanded metal is commonly used for reinforcing cement walls or slabs, being buried in the cement, giving it an inner foundation, adding to its rigidity, sustaining it when cracked and generally carrying and strengthening the cement. It is also used for lockers. Sometimes it is called metal lath, and used to replace wood lathing in building inner walls and partitions.

Probably the largest prospective market for expanded metal is in road-building, when cement is employed for the pavement. Here expanded metal has no real rival; and when one stops to consider the amount of cement road-building that has been done, and will be done, in Canada, one can see that Steel & Radiation has in this rather humble product a real money-maker. Road-building will continue literally for generations, and in this fact, together with the activity of cement manufacturers in developing road-building, is the assurance of a great market for the Company's Expanded Metal.



Sectional View "KING" Boiler.
Read in the accompanying article why the "King" is regarded as the best of all boilers made.

THE BIG BUSINESS OF A BOILER

I SPEAK now of the "King" Boiler. The "King" Boiler is the latest boiler to be devised, and it is the sum of all the good features of all other boilers. All the older boilers have faults—sometimes very grave faults; and these cannot be corrected without changing the whole design and system. This would mean new patterns, and for a maker to begin the reconstruction of his present boiler would be pretty much like starting all over again; and would at the same time be tantamount to a condemnation of his present boiler. For these reasons, the average maker prefers to go on making his old boilers, trusting to his aggressive selling methods, to advertising, and to the public's ignorance, to get away with his faulty product. Besides which he knows that no single maker, no matter how good his product, can ever hope to capture more than 50 per cent. of the market.

When the "King" was devised, the genius behind it had every other boiler on the market to guide him, and he had gumption enough to do the thing right.

The big business of a boiler is to heat water quickly, to deliver it to the radiators, and to get the cold or chilled water back again quickly to the boiler for re-heating. In other words, the big problem is rapid circulation.

If you will look at a cross-section of the "King" (see illustration), you will see that the water sections in the boiler taper slightly and have rounded corners. Rounded corners facilitate the flow or movement of water just as they do anything else.

Again, you will see that the water sections are made of thin metal, thus enabling the heat from the fire-box to heat the water with a minimum resistance of metal. There is no necessity for thick walls here, so long as a right metal composition is used.

Look, too, at the system of conveying the heat through the water sections. You will see that the heat is required to travel very thoroughly over and through the sections before it reaches the chimney pipe. By thus retaining and directing the heat, it is utilized as fully as possible before being discharged into the chimney.

A LARGE WATERWAY IS NECESSARY

Look, also, at the large water-post at the back. A large waterway is essential to good and rapid circulation. If you cramp the water here, you impede circulation, and so the hot water is not delivered rapidly and in plentiful volume to the radiators.

Look at the large "return" chamber. Into this the chilled water from the radiators re-enters the boiler. Being large, it draws off the chilling water from the radiators rapidly, and accelerates circulation.

Again, is to be impressed the importance of rapid circulation. If the circulation is checked, then the radiators take longer to heat, and the chilled water is slower in returning. That is, when circulation is faulty and slow, the heat from the fire-box is being wasted; it is being applied to water already sufficiently hot, but which is not escaping rapidly enough. What is wanted, from the standpoint of fuel economy, is that the heat from the fire-box shall be always applied to the heating of chilled water which can and will absorb the heat. And when the circulation is free and rapid, the heat, always being utilized to re-heat chilled water, is always performing its proper service, and is doing this with a minimum of waste.

THE IMPORTANCE OF THE METAL

There is another point about the "King" to be commended—the metal used. This is a special composition, made from a formula arrived at only after much experimenting. This "King" metal does not warp, and has a minimum expansion and contraction. Also it heats quickly, so reducing the effort of the heat from the fire-box to do its appointed work. It is highly important, for economy's sake, to have all doors and openings fit closely; otherwise heat escapes, and this represents both waste and delay. A good non-warping metal ensures that doors and dampers fit closely.

GRATES ARE IMPORTANT

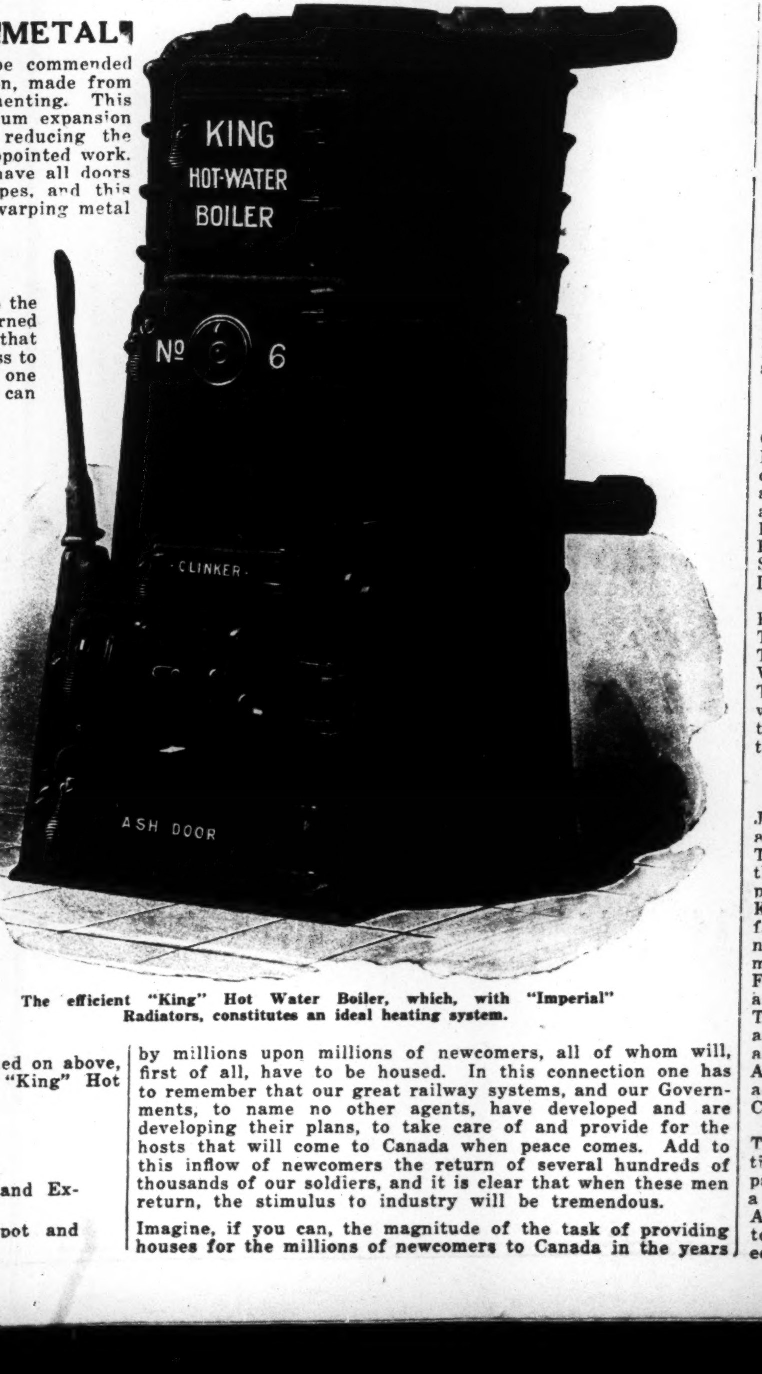
The "King" grates work easily. They fit closely to the firebox walls, so preventing the dropping of unburned coal into the chamber below. Also, it is important that the grates when operated will shake up the fuel mass to break it up, to let air through. This is important if one wants perfect combustion. Also, the "King" grates can be readily removed and replaced on occasion.

THE CLINKER CHAMBER

All good boilers should have a clinker chamber, and most of the better ones have. This clinker chamber really sifts ashes, and so makes unnecessary ash-sifters with all their dust and labor. A lot of useful clinkers are saved which can be re-fed into the fire-box when it is desired to check or to make a slow fire, on mild days.

ABOUT RADIATORS

It is always well to use the radiators made by the maker of the boiler, for they belong to the system. There is not—cannot be—the same wide differences in radiators, and in the principles governing their construction and action, that are found in boilers; but, as a good working rule, it is always wise to use the radiators made by the maker of the boiler you install. "Imperial" Radiators have this, among other things, to commend them: They are exceedingly attractive — and this is really a big point. Some radiators are, in effect, a part of the furnishing of a room.



The efficient "King" Hot Water Boiler, which, with "Imperial" Radiators, constitutes an ideal heating system.

A SUMMARY

Summarizing briefly what has been said or touched on above, and adding new reasons, the claims for the "King" Hot Water Boiler can be set down as follows:—

1. The Dustless Ash-Sifting Device.
2. The Tight-fitting Doors.
3. The Easily-cleaned Flues.
4. The Fire-pot with a Real Corrugation and Extended Heating Surface.
5. The Ample Combustion Space in Fire-pot and Flues.
6. The Large Area of Surfaces for Direct Intense and Effective Heating.
7. The Thin Waterways and Rapid Circulation.
8. The Even Metal Line, the result of using Iron Patterns.
9. The Quality and Weight of Iron.
10. The Simple Method of Erection.
11. Easy to Manage.
12. The Guaranteed Ratings.
13. Double Shaker.
14. Removable Grate.
15. Made-in-Canada.

THE SIZE OF BOILER TO INSTAL

Often one is puzzled to know what size of boiler to instal. This will help you: Calculate your radiation requirements, and then learn from the Service Department of Steel & Radiation, or from their printed matter, the exact size of boiler to provide the heat for the amount of radiation thus discovered.

"King" Boilers are not overrated. Also, the Service Department will tell you where to place the radiators. So one doesn't have to take chances; to trust one's plumber or steam heater. One can be *sure*. In this connection, it may be stated that Steel & Radiation have prepared a booklet on how to operate their "King" Boiler to get most out of it. This means how to fire it, how to regulate dampers, and such things. Many a man who tends his own fires will find this book valuable, whether his boiler is a "King" or not. The book is free.

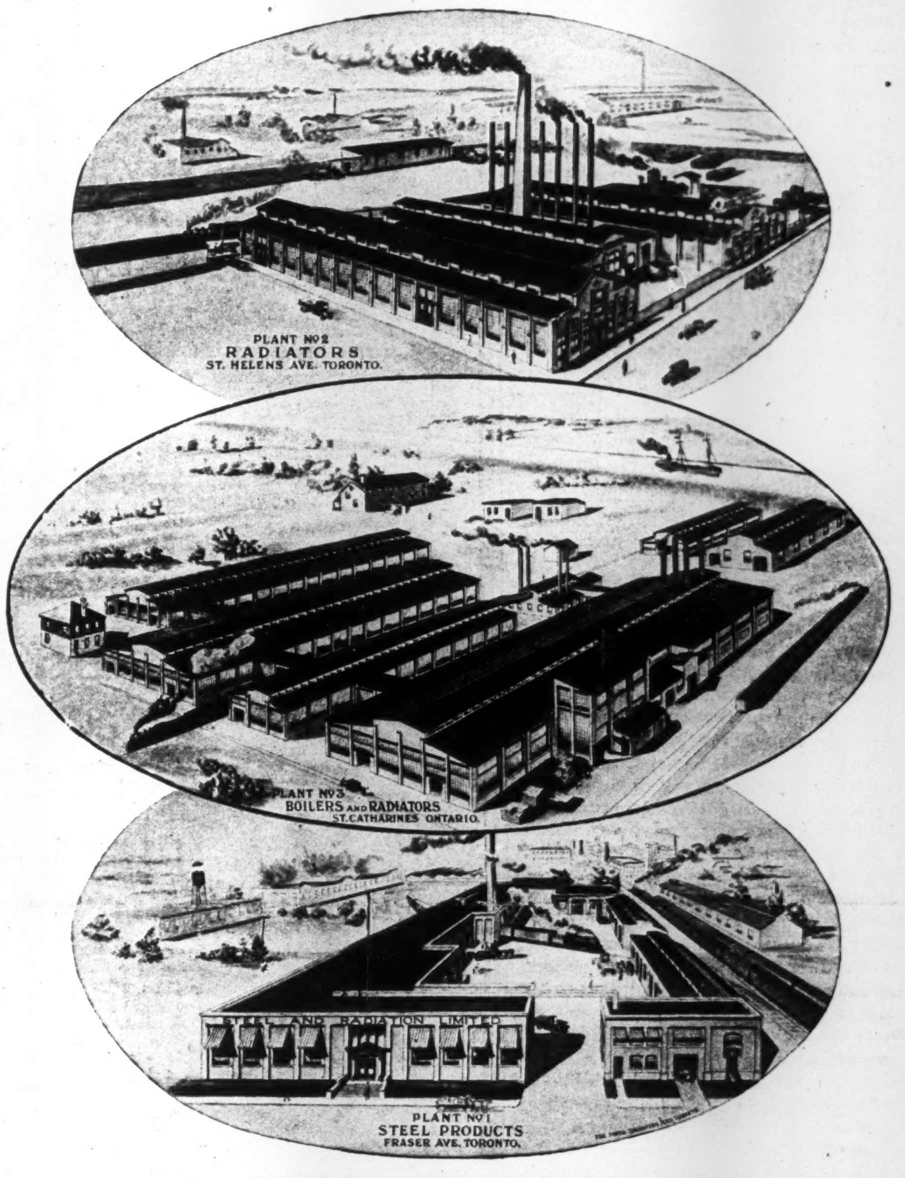
THE OUTLOOK FOR BUSINESS

LOOKING forward to Canada's reconstruction period, the outlook for the business of Steel & Radiation is really excellent. The certain immigration from desolated Europe is the sure promise of great business, whether this immigration comes suddenly or merely trickles in, Canada, along with the United States, is the magnetic land. Canada, even more than the United States, has been favorably advertised in Great Britain, Europe and Asia; and Canada will have its population augmented in the decades following the conclusion of peace by millions upon millions of newcomers, all of whom will, first of all, have to be housed. In this connection one has to remember that our great railway systems, and our Governments, to name no other agents, have developed and are developing their plans, to take care of and provide for the hosts that will come to Canada when peace comes. Add to this inflow of newcomers the return of several hundreds of thousands of our soldiers, and it is clear that when these men return, the stimulus to industry will be tremendous.

Imagine, if you can, the magnitude of the task of providing houses for the millions of newcomers to Canada in the years ahead; of providing clothing and food for them; of providing them with employment. Every occupation or industry serving human beings on the side of their multifarious needs will bound ahead.

NATURE AS A FACTOR OF TRADE

Whether it is a thing to boast or rejoice over, or not, the fact is that in Canada fires for home-heating are required eight months of the year. So the problem of heating the home is a foremost, urgent and formidable one; and the problem is solved, in the better class homes, by the installation of the hot-water system of heating—a good boiler supplying good radiators.



The Three Plants of Steel & Radiation, Limited, makers of "King" Boilers, "Imperial" Radiators, Fenestra Steel Sash, and Expanded Metal, some account of which forms the theme of the accompanying article.

The hot-air system is favored preferentially only in the cheapest classes of houses; and steadily is yielding to the hot-water system with its more equable heat, its economy of fuel, and its hygienic aspects. The certain thing is that the hot-water system is gaining over all other systems of heating the homes, and this applies equally to urban and rural homes, for farmers to-day are installing hot-water heating systems, and will continue to do so increasingly until some cataclysm of Nature gives Canada a tropical climate—a contingency of a very remote kind, indeed.

If one were to reduce all this to figures—and it may be impossible to do this, in any convincing or defensible way—it would be found that the market for a good hot-water system is a yawning one, and that its gaping has as yet not been begun to be filled. It will be generations before the saturation point has been reached. Which fact and circumstance spell prosperity for the makers of the "King" boiler and heating system.

THE MEN BEHIND STEEL & RADIATION

One may be curious to know who are the men behind Steel & Radiation—for it is always the human element that is of chief importance. One reads, therefore, with satisfaction, and with illumination, the names of its board of directors, and principal officers. These are:—

President—Brig.-Gen. Sir Henry M. Pellatt, C.V.O.
First Vice-President—Brig.-Gen. Sir John M. Gibson, K.C.M.G.
Second Vice-President—H. H. Macrae.
Directors—Sir Wm. Mackenzie, Lt.-Col. Reginald Pellatt, Gordon Perry, Samuel Trees, Sir George Armstrong, Bart.
H. H. Macrae, Managing Director.
T. R. F. Case, Assistant General Manager.
T. H. Kilgore, Controller.
W. A. Cook, Sales Manager.

The civic and commercial standing of these men, together with their records as men of affairs, is assurance of a contenting kind that the future of Steel & Radiation is certain to be profitable from an investor's point of view.

THREE PLANTS

Just a few facts in conclusion about the plants, branches and agencies of Steel & Radiation.

The Company has three plants: The King plant at Toronto; the Fraser Avenue plant, Toronto; and the St. Catharines plant. (See them in the illustrations on this page). The King plant is being used at the present time for the manufacture of shells. The Fraser Avenue plant is now an ammunition factory. The St. Catharines plant is given up to the manufacture of "King" Boilers and "Imperial" Radiators. Fenestra Steel Sash and expanded metal are made in Toronto at the Fraser Avenue plant.

The Company has its own branch in Montreal, and has agencies in St. John and Halifax, for the Maritime Provinces; and in Vancouver for British Columbia territory. The J. H. Ashdown Company, wholesale hardware dealers, Winnipeg, act as agents for the Prairie Provinces. Thus the whole of Canada is covered and served.

* * * * *

The object of this account of the business of Steel & Radiation is to provide readers of THE FINANCIAL POST with particulars of interest and value to them; and to give them a better understanding of an important Canadian industry. Also, to give some help to the prospective buyer of a boiler to heat his own home, or the houses that he may heat or equip for others' occupation.

PACKING—AN EXPANDING INDUSTRY.

Continued from page 36.

pork, importations, have expanded from a mere $24,917 in 1914 to $4,119,177 in 1916, to $9,573,003 in 1917 and to $12,799,849 in the first five months of the fiscal year 1917-18.

Enlargement of Plants.

There has naturally been a considerable enlargement of Canadian packing plants to take care of the increased output. These enlargements have been readily financed out of profits and shareholders have been under no necessity of supplying additional capital. It is a nice point as to whether the export business will be retained after the war in anything like its present volume. Just now it is an assured trade and one that is destined to continue to expand so long as larger and larger numbers of men are drafted into the war. The after-war situation is another matter, but there seems no reason to doubt why connections now established should not be retained indefinitely.

Census of Industry.

The last census returns, now seven years old, show under the head of "slaughtering and meat packing," a total of seventy establishments, with a capital of $13,746,271, employing 3,781 hands and disbursing wages of $2,406,571. The "materials" used were valued at $34,631,818 and the value of the products, $41,208,796. In addition, products valued at $7,318,280 were slaughtered but not "packed." Since this census was taken, the number of plants has been reduced, owing to the tendency towards centralization, which is very marked in this industry. As a matter of fact, slaughter houses in general have disappeared almost entirely, giving place to the modern abattoir and cold storage plant.

The Abattoirs.

The O'Connor report issued in July contains a list of 46 abattoirs in Canada, operated by seventeen packing companies. These abattoirs among them contain 12,180,510 cubic feet of refrigerated space.

Referring to the operations of the abattoir companies, the report says: "Their organization is most complete. They buy the live stock in the centres most convenient to the supply, kill in their own abattoirs and by the most elaborate and efficient methods manufacture the by-products and conserve the whole by means of refrigerated space. They are thus enabled to hold the dressed meat as a commodity of commerce longer than is the local butcher and to supply the home or the export market according as opportunity offers. Three of these huge meat companies carry the control of their products still further and established retail branches in the larger cities, thus completing the process of transit from producers to consumer."

The relation between the quantities of food products passing through cold storage and the total food products of Canada is interesting, as illustrating the part played by the packing houses in supplying both the domestic and export markets with goods. Approximately one-fifth of the butter produced in Canada passes through cold storage, more than one-third of the cheese and about one-fifth of the eggs. Of the beef killed in government inspected abattoirs approximately two-thirds pass through cold storage; and practically all the pork, bacon and ham produced.

An Erroneous Conception.

The popular conception of cold storage establishments as immense warehouses where food is purchased in the spring and summer and held until that period in the winter when the greatest scarcity prevails, is quite erroneous. No such condition prevails. Even in the months of the greatest scarcity of any commodity, the purchasing of such by cold storage firms is not suspended nor in the months of greatest production is the selling of it suspended.

Of the 170,000,000 pounds of beef that passed through cold storage last year, 124,000,000 pounds were controlled by the seven largest abattoirs, 99,500,000 pounds were sold by three companies only. With regard to bacon, one company alone sold 97,000,000 pounds of the total 1916 cold storage sales of 151,000,000 pounds. Thus it is seen that the export trade done by the cold storage companies is almost entirely controlled by the larger companies.

POTASH PRODUCTION.

America's Increased Output in First Half of Year.

More potash has been produced during the first six months of 1917 than was made during the entire year 1916. The reports received by the United States Geological Survey, Department of the Interior, have been reduced to terms of the commercial unit commonly used to measure the available or water-soluble potash (K_2O) in the product, and only material actually sold by the producer during this period is included.

To Maintain Industrial Activity

Subscribe Liberally for

Canada's Victory Bonds

If for no other reason than that of self-interest, it is of the utmost importance to every manufacturer and merchant that the fourth War Loan of the Dominion of Canada (to be known as Canada's Victory Loan and to be offered in November) be fully subscribed.

The further extension of credit to our Allies is imperative if Canada's manufacturers wish them to continue buying here. And there can be no question about that, because upon their purchases will depend our industrial and agricultural prosperity.

Then, too, the money subscribed will be spent in Canada.

The money must come from our entire people, but a good lead from manufacturers and merchants is absolutely essential and will encourage the multitude of smaller investors. The bonds are an excellent investment. Money is not tied up in them, because they are readily saleable and because of their value as collateral.

Apart from all business and financial reasons, however, the great fact remains that Canada must have more money to carry on her part in the war.

Every ounce of our financial, as well as fighting strength, is needed.

Great Britain must now purchase where she can get credit. If Canada grants the credit ---she will get the business.

Issued by Canada's Victory Loan Committee
in co-operation with the Minister of Finance
of the Dominion of Canada.

91

WOOD INDUSTRY is Very Prosperous

Piano and Furniture Manufacturers Report an Excellent Demand for Their Products—Pianos Are Forcing Their Way into Foreign Markets to Replace German Instruments.

BESIDES the great pulp and paper industry and shipbuilding, Canada has several important industries depending largely on wood for their raw material. Of these the piano and furniture industries are most conspicuous both for the capital employed and the output obtained.

"The piano business? Never better," said one very prominent Toronto manufacturer. "Our problem isn't to sell pianos; it's to make them. We have more orders than we can fill." The excellence of general business is the explanation of the activity in the piano industry. People have more money than usual and they are spending some of it. Farming and munitions are both important factors in the result. This year the most striking development in the demand for musical instruments is the revival of business in Vancouver and Victoria; there the depression has lasted longer than elsewhere. In the middle West, wheat at $2.21 a bushel has increased the power to purchase musical instruments as well as other things; but in Ontario, Quebec, and the Maritime Provinces business has also been excellent.

Handicaps.

The manufacturer, here as elsewhere, has been handicapped by slow deliveries of raw material and by high prices. High freights have doubled the cost of mahogany. Other woods, such as walnut, oak, or elm, have appreciated from thirty to a hundred per cent. But the greatest difficulty of the piano manufacturer to-day is the labor problem. One manufacturer reports that 175 employees, including his son, are on active service. Half as many more have left to help make aeroplanes. "We could double our sales of grand pianos, if we could get the labor to turn them out."

Few American Imports.

It is satisfactory to learn that the Canadian manufacturer of pianos has little to fear from American rivals. The statistics tell an interesting story of diminished imports: $380,000 in 1914; $219,000 in 1915; $141,000 in 1916; $153,000 in 1917 (fiscal years ending Mar. 31). It is true that there is a slight increase in 1917 over 1916, but the total represents a mere fraction of the Canadian sales and that, too, when demand is very strong. There is a little more business in the importation of American parts: $143,000 in 1915, $167,000 in 1916; $247,000 in 1917, but this, too, is small compared with the total product. The quality of the Canadian piano is its best guarantee against competition.

Exporting Canadian Pianos.

A long established Canadian company has been paying special attention to the development of the export trade in pianos. It has been found advisable to manufacture a special type—the English model—for exportation. The war, of course, has driven from the field the cheap German article, whose chief recommendation was its cheapness, but it has brought some special difficulties to the Canadian exporter. At the present moment there is an embargo on the export of pianos to the most promising market, South Africa.

It seems peculiarly unfortunate that, just at the moment when a Canadian export trade has been developed under great handicaps, it should be shut off from one of its best markets by an absolute embargo. In Australia, too, a high tariff—as high on Canadian pianos as on foreign makes—limits the sale of the Canadian instrument.

That the Canadian export trade is growing in spite of such drawbacks is gratifying evidence of the enterprise of the Canadian manufacturer and the excellence of the piano exported. The Canadian instrument has already won a reputation for quality abroad. Exports have been made to South Africa, New Zealand, Australia, the British West Indies, and India, and even outside the British Empire to India and China.

The statistics bear witness to this growth in the export trade. In the fiscal year ended March 1917, the increase over 1916 was nearly 60 per cent.—a jump from $59,000 to $95,000. Later figures (April to August, 1917) indicate that the export business has been well maintained. For the five months the total was $41,000.

Future Prospects.

The outlook for the export trade is good. For the present, orders are more plentiful than cargo space, but unfilled orders offer promise of future business. Though Japanese competition is likely to be keen, the excellence of the Canadian piano can be counted on to retain for Canada any market where a footing has been secured.

Gramophones.

The gramophone business has become an adjunct of the piano industry which it once seemed to threaten. For every form of gramophone, as for pianos, the demand is excellent—and for the same reasons.

The Outlook.

For the immediate future the outlook is good. Demand promises to continue strong for some months—particularly in the West. The ultimate outlook depends on general business conditions after the war. One manufacturer of pianos, at least, is optimistic about the remoter prospect. "We have a big country to fill up, a good deal of cheap land to attract settlers. Now that the United States is with us in the war, American farmers—the very best type of immigrants—will come more readily to the Canadian West. That means greater production and greater consumption—of everything from gas tractors to pianos."

Household Furniture.

The furniture business has a similar tale to tell of consumption only limited by the difficulty in obtaining supplies and labor. Conscription is expected to complicate the labor question—serious enough already. At least one firm has tried to relieve the situation by employing female labor to a considerable extent—with moderately satisfactory results.

Last year was a good year for the sale of household furniture. This year is very fair, though local dealers are not stocking up so heavily as they did in 1916.

The war has brought about some changes in furniture fashions. Circassian walnut is, of course, unobtainable. The scarcity of shipping has cut down supplies of mahogany. In consequence, American walnut, which had been little utilized for some years, is being featured. Gum wood is also coming into favor.

Imports from the United States.

In the sale of furniture, American competition seems to be felt very little. The figures are: 1914, $2,660,000; 1915, $1,313,000; 1916, $699,000; 1917, $941,000 (fiscal years). For 1917 the records show a slight increase over 1916, but the total is nothing like that of earlier years, and, in view of the great activity of Canadian factories, the slight gain has no particular significance.

Office Furniture.

"Office furniture? Why, last year was the best we ever had and this year is running it pretty close"; so one firm reported, and that experience seems to be general.

Here, of course, the same problems in connection with labor and supplies occur. Materials have gone up anywhere from fifteen to seven hundred per cent. Shellac, for instance has had a three hundred per cent. rise. Office supplies are also affected by the difficulty in obtaining steel. In fact the embargo on the export of American steel constitutes a special problem in certain lines of office supplies.

A noteworthy feature of the demand is the better character of the business. Goods of high quality are being sold in large quantities. Munitions and related industries account for a part of the increased demand; but the sales of office supplies are a sort of barometer for general business conditions. An illustration is to be found in the Western branches. This year the feature of the Western trade has been the sales in Vancouver and Edmonton—a reflex of the general improvement in business conditions there.

The Future Outlook.

With the furniture business, as with pianos, boats, boxes, and the rest of the wood industries, the future is bound up with general business conditions. If Canada prospers after the war, the wood industries will prosper. To prophesy is rash; but the extent of Canada's resources and the enterprise Canadian manufacturers have shown in coping with war problems furnish a good augury for the future of Canadian industry in general and the wood industries in particular.

ENGLAND'S GROWING WAR-TAX REVENUES.

Returns for First Half of Year Give Greater Increase Than Expected for 12 Months.

LONDON.—The first half of the British financial year expired on Sept. 30, and the returns of income show that the Chancellor of the Exchequer was not unduly sanguine when he drew up his budget estimate a few months ago. He asked the taxpayer to give him, during the entire twelve months, a sum of £638,600,000, or £65,172,000 more than the realized revenue of the year concluded on March 31, 1917. Toward that increase the first quarter contributed £43,022,853, the advance being due largely to the circumstance that the excess-profits duty was flowing to the Exchequer at a normal rate, whereas in the opening three months of the previous year this new impost was only just commencing to help fill the national purse. In view of this exceptional factor some slowing down of the rate of increase would not have caused surprise, but the second quarter of the year proved even better than the first, and the expected increase for the entire period is already far surpassed, although, as yet, much less than one-half of the actual revenue anticipated has been received.

The final six months are always the most prolific because they include the principal part of the income tax payments. The receipts to the end of September amounted to £255,222,040, or £91,299,141 in excess of the amount gathered in the first half of 1916-17, and the prospects are bright of a final figure much in excess of the original forecast. In the following table are shown the original estimate and the actual returns to date, compared with the returns for the whole preceding fiscal year:

British tax budget for 1917-18 and returns for first half of this fiscal year, compared with returns respectively for entire preceding fiscal year and for the first half of the preceding year:

		Budget Estimate Whole Yr.		Actual Return Half Yr.
Customs	+	£ 189,000	+	£2,589,000
Excise	—	21,430,000	—	7,830,000
Estates duties ...	—	2,232,000	—	127,000
Stamps	+	122,000	—	84,000
Land tax and house duty	+	20,000	+	10,000
Income tax (incl. super-tax)	+	18,967,000	+	15,712,000
Excess-profits duty	+	60,080,000	+	55,949,000
Land values	—	121,000	+	116,000
Postal service ...	—	150,000	+	50,000
Tel. and telephones	—	250,000	+	50,000
Crown lands	—	50,000	—	20,000
Sundry loans, receipts, etc.	—	555,817	—	1,001,097
Miscellaneous	+	10,583,235	+	25,435,238
Net increase ...		£65,172,418		£91,299,141

WOOLWORTH STORES.

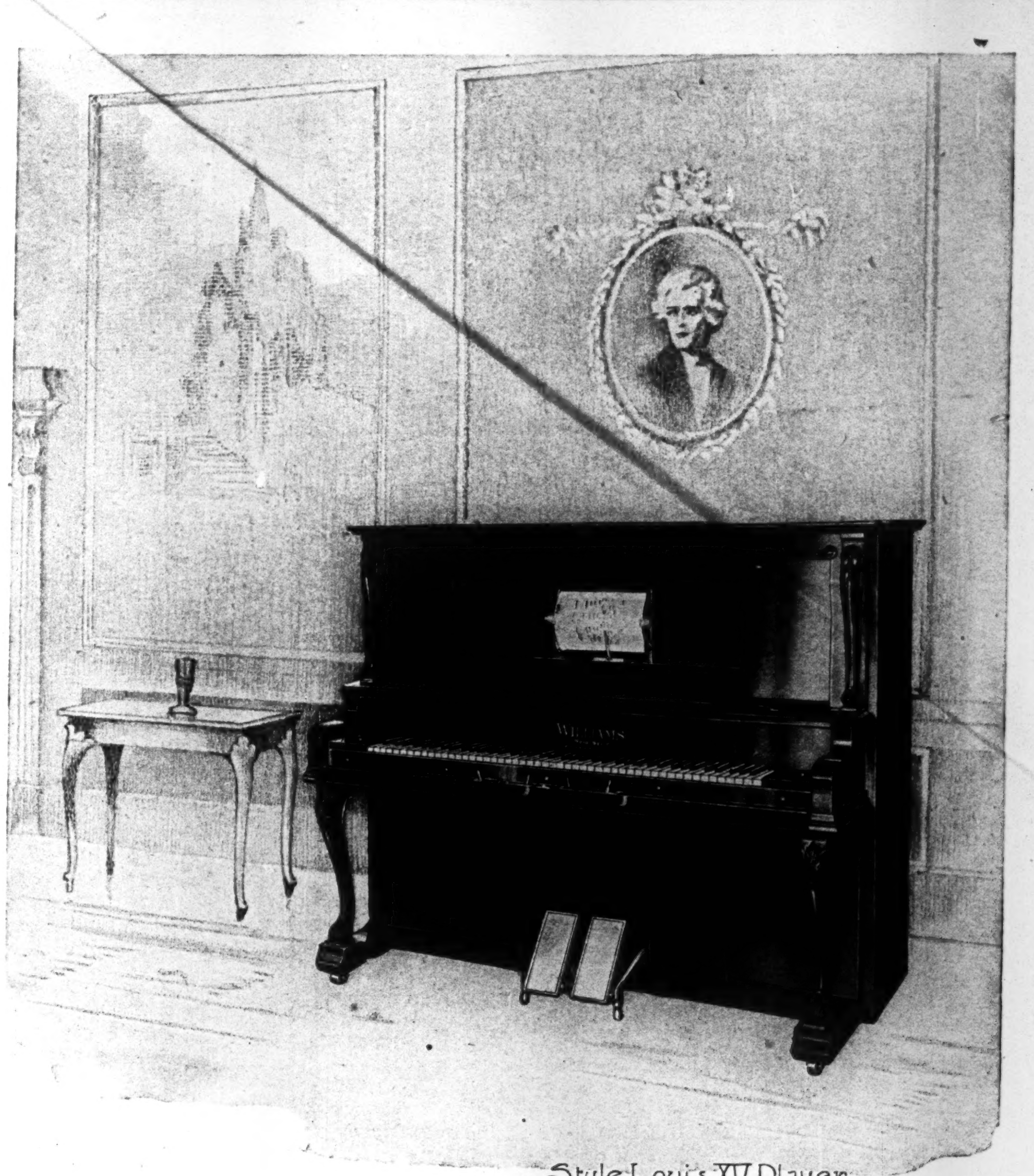
September Sales Showed Increase of Over 12 Per Cent.

Sales of the F. W. Woolworth company's stores for the month of September were $8,246,860 compared with $7,348,691 for the same month of last year, an increase of $898,169, or 12.22%.

For the nine months sales were $64,815,163 as compared with $57,777,900 for the same period of 1916, an increase of $7,037,263 or 12.18%.

In the month of September the old stores that have been in operation for a full year, showed $488,469 of the total increase for the month while for the nine months the old stores showed $3,608,520 of the total gain for that period.

At the rate of increase which the first nine months has witnessed, final results will show a gross income of over $97,500,000.



Style Louis XV Player
Open

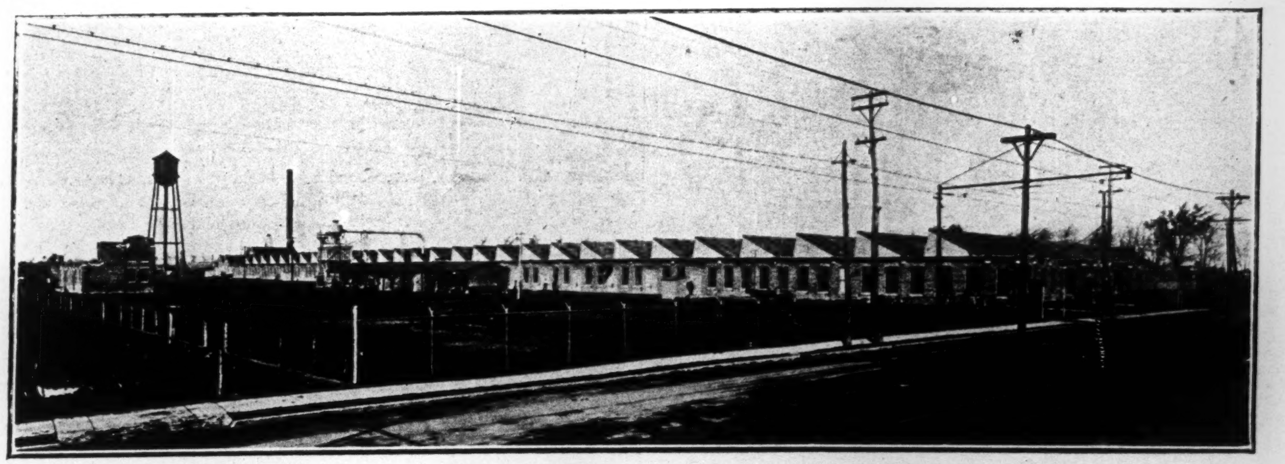
Williams Piano
New Scale
ENDORSED BY GREAT MUSICIANS

THE Williams possesses the pure, rich tone, the light touch and responsive action so essential to the discriminating player. This is the reason so many of the most celebrated musicians use the Williams exclusively on their Canadian tours.

A beautifully illustrated Portfolio
of Models will be mailed on request.

The Williams Piano Co., Limited
Canada's Oldest Makers
Oshawa Ontario
Exporters To Many Foreign Countries

ANGLIN'S LIMITED
Contracting Engineers
J. PENROSE ANGLIN, B.Sc. CONRAD D. HARRINGTON, B.Sc. HAROLD C. JOHNSTON, B.A. Sc.
65 Victoria Street - - - - - - - - Montreal



Munition Factory erected by Anglin's Limited—Completed in 10 weeks

Anglin's Limited have a long standing reputation for good and rapid construction. Among recent accomplishments was the erection during the past winter of a one-storey munition building in Montreal. The building, covering an area of 800 x 252 feet, was completed within ten weeks from the commencement, and this in the face of extreme weather conditions, the thermometer registering well below zero for a considerable part of the time. The building has a concrete foundation and is of brick and steel construction.

Another recent rush contract was the construction of the largest closed shipbuilding berth in Canada—the berth is 500 ft. long and 152 ft. wide. A thousand tons of steel was used in its construction and it will accommodate freighters of 10,000 tons carrying capacity.

Other work executed by Anglin's Limited includes—Loyola College, Montreal—Williams Mfg. Co.—Toilet Laundry—St. Lawrence Sugar Refinery—Belding Paul Corticelli—Bell Telephone—Canadian Ingersoll-Rand—Canadian Cottons—Penmans Ltd.

CONTRACTS UNDERTAKEN IN ANY PART OF EASTERN CANADA

WORK FOR MINISTER OF RECONSTRUCTION

Many Big Issues in Canada's National Career Which Must be Faced in the Period of Readjustment.

By FRANK MAITLAND.

IS old John Bull so hopelessly slow, old-fashioned and unprogressive after all? It was fashionable on this continent before the war to regard Englishman as a muddle-headed individual, helpless when confronted with any sudden emergency—perhaps incapable of recognizing an emergency until overwhelmed by it—hopelessly handicapped by his idolatrous respect for precedent. I think it is fair to say that this was the opinion of the average Canadian or American. Our British cousins were respected for many admirable qualities, but this continent would have to lead the way along all the paths of progress. If a thing had not been done before, the modern Briton in the homeland would not create a new precedent.

The events of the last three years have done something to create a doubt in some minds on this continent; we are probably not so sure now that every new idea, every step towards progress, must have its origin in the New World. We have seen old John Bull do some surprising things.

The other day David Lloyd George created a new department in his government—a Minister of Reconstruction. While we have been talking in this country about the necessity of preparing for the problems and emergencies with which we shall be confronted when we make the sudden departure from war back to peace, British statesmen have taken at least one practical step towards preparing to meet the new conditions when they come.

The war found Great Britain sadly unprepared. That fact is conclusive evidence of the peaceful intentions of the British Government, but it does not say very much for the foresight of British statesmen, few of whom paid any serious attention to the unmistakable signs of the approaching storm. But if old John Bull was unprepared for war, he is determined that he is not to be totally unprepared for peace and the problems which will press for immediate solution as soon as the guns cease their booming.

Just now, the main business is to get on with the war, and the problems of the immediate present require the undivided attention of the War Cabinet and most of the Ministers. Nevertheless a committee on reconstruction problems was appointed long ago and now a new portfolio of Reconstruction has been created. The minister in charge will direct the work of the committee; much is being planned and much is being done now to provide a solution of the big problems which the end of the war will bring. It is true that such a thing has not been done before, but the stock objection—"It isn't done"—has no force with the British Prime Minister, and apparently it has very little with the British people to-day.

Why not a similar portfolio in the government of Canada? When peace comes, all the energies of every minister in a government more capable and businesslike than any that Canada has ever had will be required to enable this country to adjust itself, without undue disturbance to commerce and industry, to the new conditions that will then obtain. At the present time, as in England, the main business is to get on with the war. Unfortunately, we have to waste time on a war-time election, and when that is over the government will be fully occupied, if it does its duty, with the direction of Canada's efforts in the war. In this country, as in England, a committee has been at work on after-the-war problems, but if the members have planned or accomplished much that is of definite value they have failed to employ a good press agent to let the people know what they are doing. In any event, their work requires direction, and surely it would be the part of wisdom to create a special Department of Reconstruction in order that all the thinking, investigating and planning will not have to be done when the new crisis of peace is upon us.

Colonel J. B. Maclean in his series of articles now running in *MacLean's Magazine* has endeavored to show us how very serious the situation of Canada really is. I sincerely hope that the figures of our commitments abroad, as quoted in the September issue, are an exaggeration. If our liabilities are $4,500,000,000, then the situation is truly a desperate one that can be coped with successfully only by the best business brains in Canada. Certainly, there is need that we should speed up production, for only by production on farm and in factory, from our mines and our forests, can we produce the wealth that is required to pay our interest bills and reduce the principal sum of our liabilities. Certainly it is of vital importance that no time should be lost in adjusting our industry and our commerce to the new conditions that will obtain when our munition factories — whose activities are even now being curtailed — are no longer producing for the war, when thousands are thrown out of employment and hundreds of thousands of our defenders at the front return to Canada to make a new start in life.

To Prevent Unemployment.

Sidney Webb has forecast a peace with famine for Europe and has contended that unemployment in England must be prevented, not relieved. It must be prevented by government just as constituted authority would prevent cholera, he says.

The fact that when peace comes the industries of the world will face a famine in raw materials is encouraging for Canada. This country is a store house of undeveloped and only partially discovered raw materials for which there will be a ready and profitable market immediately after the war. It is our part to prepare to supply that market. If we wait until the war is over before making our plans and outlining our programme we shall lose much that should be ours. For that reason a business man of proved ability, a man of vision, of imagination, a man distinguished for his resourcefulness, a man of daring initiative and withal a man of sound, shrewd, common-sense should be found at once and put in charge of a Department of Reconstruction. He should be given a free hand and all the money he may require for purposes of investigation. He should be encouraged to subsidize new industries if necessary in order that preparations should be made at once to develop certain of our supplies of raw materials; or, if private enterprise, with or without government aid, fails to provide the rapid development which will be necessary, the government itself through the agency of commissions of business men of proved ability and tested integrity should take upon itself the exploitation of certain of our resources and the development of new industries.

Because of lack of labor—for our forces at the front must be kept at strength no matter what else may happen—and because of scarcity of money, it is not likely that much of this big programme could actually be started before the conclusion of peace; but if the plans are made and the organization ready, if the problem of financing new industries and giving the greatest possible encouragement to agriculture, mining, shipbuilding and manufacturing has been thought out in advance, at least a year of invaluable time will be saved and this country will escape the worse effects of the inevitable disorganization of industry and commerce which will follow the defeat of the Hun.

The British Government has recognized the urgency of the problem. Canada might well follow the example of the homeland. Our Minister of Reconstruction should be at work now in co-operation with the British Minister. Each could help to solve the other's problem. Great Britain's crying need will be for a plentiful supply of various raw materials for her industries. She is preparing, with government aid and supervision where necessary, to transform her war munitions plants as quickly as may be possible into factories producing the requirements of peace. Many of the raw materials required cannot be readily supplied from this country, but there are many for which Canada should be the principal source of supply. And if we are prepared to deliver the goods there is no doubt that we shall have the preference—probably of tariffs but certainly of sentiment—in the British market. Despite all that the cynics may say to the contrary sentiment has a real influence on business affairs.

To Increase Production.

Our greatest resource in Canada, actual and potential, is our agricultural industry. The world to-day is uncomfortably close to starvation. Nothing else could be expected when so many millions of men have been taken from the land and transformed from producers to consumers. It should be noted that while the world has lost their producing power they have themselves become consumers of probably twice the amount of food and clothing which they required in times of peace. War is a wasteful diversion.

Our Minister of Reconstruction should give very careful attention to the problem how best to help the farmers to produce more, and how to assist many thousands of others to take up new farms and make them immediately productive.

Our farming industry suffers from lack of capital. The farmer has been unable to get the banking accommodation which he required for the development of his business. It is true that certain changes have been made recently in the banking Act and in bank practice, designed to overcome this difficulty. It is also true that in the Western Provinces a start has been made towards the development under government auspices of an agricultural credit system. These things are excellent, but more needs to be done if our agricultural industry is to produce all of which it is capable.

Everything that unduly handicaps agriculture is an injury to the economic well-being of the whole country.

As one of the results of the war, the shipbuilding industry, which once flourished in the Maritime Provinces, has had a new birth, and on the Pacific Coast a new industry has been created. For years to come there will be a scarcity of shipping, and there is no reason why Canada should not develop a great shipbuilding industry. Nor need it be confined to the two seaboards. Every port on the Great Lakes should, with adequate Government encouragement, have its own shipbuilding industry. Here is a field for the investigation and the activities of a capable Minister of Reconstruction.

Co-operating with the Department of Trade and Commerce, something should be done at once to find a market abroad for Canadian lumber. Some country will get the lion's share of the world's lumber market after the war. Why not Canada? We can get it if we go after it, and if we are equipped to deliver the goods on time.

The right man in the Department of Reconstruction would have his plans ready for the return of peace when we shall need not merely a Department of Reconstruction, but a whole government that thinks of nothing else. If the programme is ready, Canada can surely demand the services of men in her government who will be capable of carrying it out efficiently.

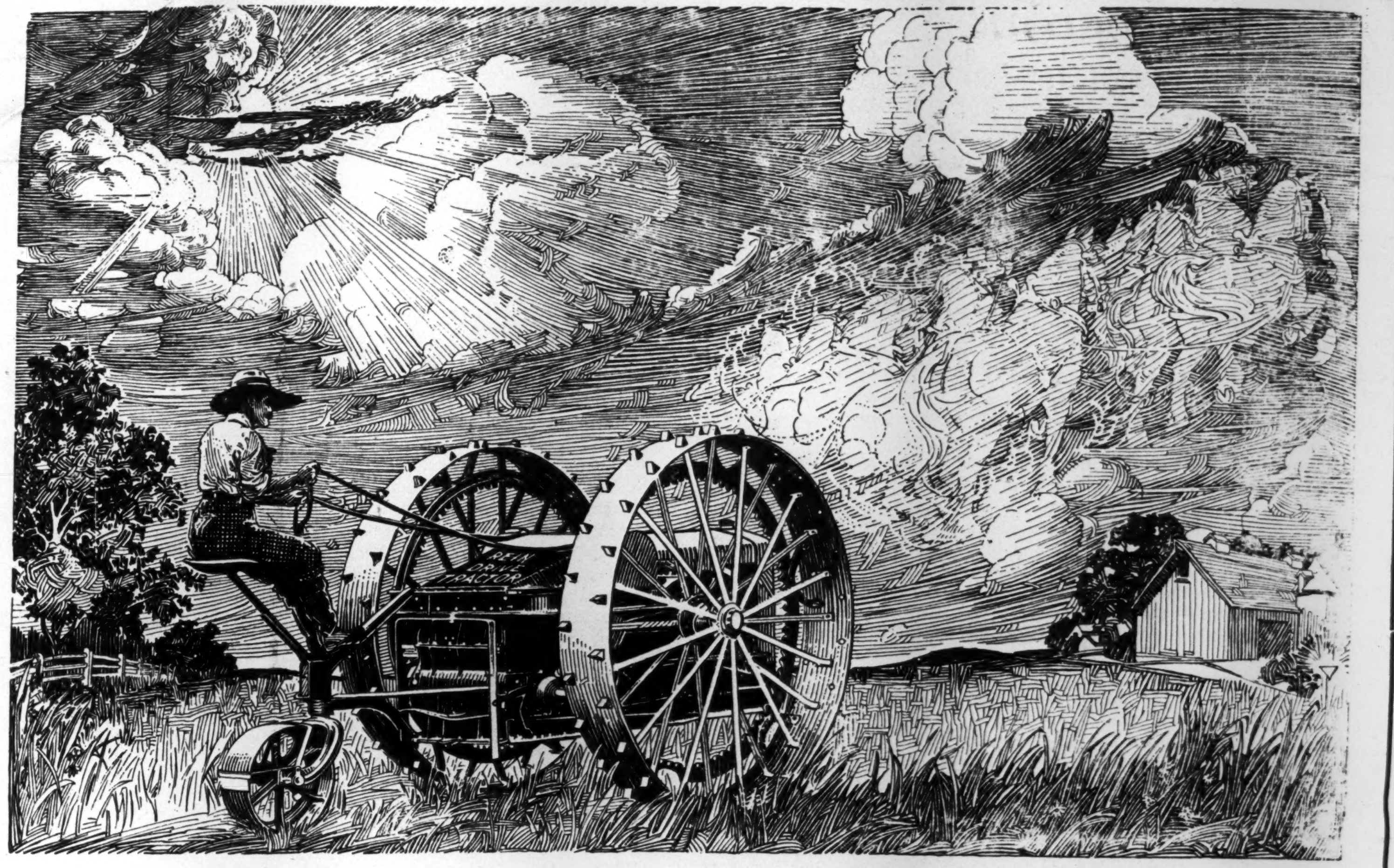
With all due respect for the abilities of the legal profession, I would suggest that no lawyer should be considered for this new portfolio. One of the ills from which we suffer in this country is a plethora of lawyers in our governments and legislatures. The position is one for a big business man, preferably one who has worked his way to success from small beginnings; one who drives a limousine now, but a few years back was accustomed to drive the cows home at night, a man of shrewd common sense who has not forgotten how plain people live, and whose brain is not clouded with a "London particular" of legal technicalities and precedents.

Ruling out lawyers would eliminate Sir Clifford Sifton from all consideration in this connection. That may be a mistake, for Sir Clifford has many of the qualifications that are needed for the job. It is many years since he has practised law. But I am inclined to think it will be just as well to harness the activities of some man who has never been in politics and, therefore, has no political enemies. Most of our ablest men are not in active politics.

Winnipeg has one or two men who could do incalculable service in such a position of opportunity. Montreal could provide good material; so could Toronto, and I doubt not that a good man could be found elsewhere, for all wisdom does not begin and end in our three largest cities.

Sir Augustus Nanton, the Winnipeg financier, has many qualifications that would fit him for the task. R. T. Riley is another Winnipegger, not so well known. perhaps, in all parts of Canada, but a highly successful business and financial man of proved integrity. He is a man of vision, of initiative, not without a saving degree of caution which would prevent his making many serious mistakes. Toronto could without doubt furnish capable candidates. An obvious suggestion would be the name of Sir Joseph Flavelle. Down among the "fish eaters" in the Maritime Provinces there are many well qualified men. Nova Scotia, the province which has given us three Prime Ministers out of eight, could doubtless provide us with a capable Minister of Reconstruction.

There is a wealth of material to choose from and it matters little in what province the new Minister of Reconstruction should be found. We need a government with capable business brains, and not the least capable of the business men in a business government is the man required to plan the solution of our pressing reconstruction problems.



What Bankers and Financial Men Should Know About The REIN DRIVE TRACTOR

From now, every wide-awake farmer will be **considering** the purchase of a Tractor. Not every farmer will **purchase** a tractor. As a matter of fact, we would be the last ones to say that every farm should have a tractor. There are many circumstances to consider. We do say, however, that for three farms out of five a tractor, the right tractor, would be a profitable investment.

Many farmers are going to find it necessary or desirable to consult their bankers regarding ways and means of purchasing a tractor. In order that you may be familiar with the outstanding features and accomplishments of the Rein Drive Tractor, we are addressing this advertisement to you as one whom the farmer will be likely to consult in this matter.

The underlying merchandising principle of the Rein Drive Tractors, Limited, is that we will not sell a tractor to a farmer unless we are convinced that his particular farm is adapted to the efficient, economical use of it.

We know, by actual working experience, that on three farms out of five the Rein Drive Tractor will increase the productiveness of the land, allow more acreage to be worked, better worked, and enable one man to do the work of many men and horses.

A farmer is absolutely dependent upon the weather for the success of his business. He must get his crop in on time—or not at all. In the Spring and Fall he must plow when the weather permits. Excessive rain or drought may hold him back for weeks. Then weather permitting, he must catch up with his work. With horses his efforts are limited to six or seven hours' work a day—or about 4 acres per 24 hours.

With a Rein Drive Tractor he can plow **night and day.** A Rein Drive Tractor with two men working alternately can plow 20 acres every 24 hours.

The Rein Drive Tractor gets its name from the fact that it is driven in exactly the same manner as a team of horses—that is, by a pair of lines. This enables the operator to sit on his plows and operate them and the tractor with the greatest ease. Or if he is cutting grain he sits on the binder, operates it and drives the Tractor in exactly the same manner as if he were guiding horses. He does not ride on the tractor and drag his machinery, his plows, binder or cultivators behind. That is why we can claim that the Rein Drive Tractor is under all conditions a "one man outfit." This is a highly important point, because the farmers of the world are tremendously short of labor.

In points of mechanical construction the Rein Drive Tractor comes very close to perfection. Its entire weight rests on two wheels only. This gives it 100 per cent. tractor efficiency. Where the weight of a tractor is distributed among four wheels, the traction efficiency is greatly reduced and under full load the wheels turn without gripping the ground, and traction is lost.

The Rein Drive Tractor is underslung. It cannot upset on any grade on which a tractor would be used. But more important still, the principle of construction puts the weight and pull on a direct line with the draw bar. The Rein Drive Tractor burns the cheapest fuel known—kerosene. It is engined with a heavy duty, powerful motor operating continuously under heavy loads without any sign of distress, developing ten horse power on draw bar and twenty H.P. on belt. Every detail of ignition, lubrication and control is of the simplest, most advanced and efficient type.

Moreover, there is one outstanding point of the Rein Drive Tractor which deserves special emphasis. That is its mobility. This tractor turns on its own length, or on six feet of ground. This enables it to be used for pulling and hauling where an ordinary tractor would be clumsy and impractical. It can turn when practically up against a fence, which is a great advantage when plowing or cultivating a field.

To sum the situation up, after a thorough, prolonged and practical investigation of what the ideal tractor can do for the farmer, we want to assure you that for those farms where a tractor can be used economically, the Rein Drive Tractor will prove one of the most revolutionary factors in Canadian farm life. It will tremendously increase production of the farm. It will work economically, accomplish almost an unlimited amount of work and to a great extent solve the "help problem" which is threatening to put the world on short rations or worse. We have, as you know, the most conspicuous authority for saying that the one vital problem confronting the British Empire to-day is food. Therefore, we desire to have you, a banker or a man interested in finance, or having the disposition of credit, know that your cooperation is necessary to equip the Canadian farmer with the means of growing more with less man-power. This can be most effectively done by the proper use and distribution of the Rein Drive Tractor.

The REIN DRIVE TRACTORS, Limited
C. P. R. BUILDING, TORONTO

Literature describing the Rein Drive Tractor in detail will be sent free upon request. Write for it